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Summary of Financial Statements
For the Interim Period of Fiscal 2008

May 15, 2008

Company Name:	FinTech Global Incorporated	(Code Number: 8789 TSE Mothers)
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Responsible	President and Chief Executive Officer	Name: Nobumitsu Tamai
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Scheduled reporting date for the Interim Period of Fiscal 2008: May 27, 2008
Scheduled starting date of dividend payment: June 13, 2008

1. Overview of the financial conditions and business results for the interim period of fiscal 2008.
(October 1, 2007 – March 31, 2008)

(1) Business results (The percentage in the table indicates YOY changes.)

	Revenue		Operating income		Ordinary profit		Net income	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
Interim Period of fiscal 2008	8,961	45.7	2,312	△11.6	1636	△32.7	△415	—
Interim Period of fiscal 2007	6,151	112.7	2,615	22.8	2,432	22.1	1,222	5.4
Full-fiscal 2007	16,914	—	6,286	—	5,951	—	1,767	—

	Net income per share	Net income per share (diluted)
	Yen	Yen
Interim Period of fiscal 2008	△345.13	—
Interim Period of fiscal 2007	1,030.91	955.32
Full-fiscal 2007	1,484.29	1,395.39

(Reference) Equity in earnings of affiliated companies:
Interim Period of fiscal 2008: N/A
Interim Period of fiscal 2007: N/A
Full-fiscal 2007: N/A

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million Yen	Million Yen	%	Yen
Interim Period of fiscal 2008	106,906	27,152	22.1	19,593.54
Interim Period of fiscal 2007	82,500	26,840	30.4	21,052.49
Full-fiscal 2007	90,740	27,191	27.6	20,797.85

(Reference) Shareholders' equity:
Interim Period of fiscal 2008: ¥23,668million
Interim Period of fiscal 2007: ¥25,090 million
Full-fiscal 2007: ¥25,010 million

(3) Consolidated cash flows

(Unit: Millions of yen)

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
Interim Period of fiscal 2008	11,440	△11,556	△2,854	12,142
Interim Period of fiscal 2007	2,694	△6,346	8,938	23,501
Full-fiscal 2007	△10,000	△7,150	15,018	15,163

2. Dividends

	Dividends per share		
Record date	The end of interim period	The end of fiscal 2008	Total
	Yen	Yen	Yen
Fiscal 2007	550	750	1,300
Fiscal 2008	165		330
Fiscal 2008 (Estimates)		165	

3. Performance forecasts for the full-fiscal 2008 (October 1, 2007 – September 30, 2008)

(The percentage in the table indicates YOY changes.)

	Revenue		Operating income		Ordinary profit		Net income	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
Full-fiscal 2008	15,626	△7.6	5,024	△20.1	4,768	△19.9	614	△65.2

	Net income per share
	Yen
Full-fiscal 2008	508.56

4. Others

(1) Transfer of the principal consolidated subsidiary during the term
(Transfer of specified subsidiary with change of scope of consolidation.): Applicable
2 companies (newly included)

Name of the newly consolidated companies:
- SP&W Asklepius Investment Partnership No. 4
- FINTECH GIMV FUND, L.P. (FGF)

(2) Changes in accounting policies
1. Changes due to changes in accounting standard: N/A
2. Other changes: N/A

(3) Number of shares outstanding (common stock)
1. Number of shares outstanding at the end of period (including treasury stocks):
Interim of fiscal 2008: 1,207,985 shares Interim of fiscal 2007: 1,191,785 shares
Full-fiscal 2007: 1,202,560 shares
2. Number of treasury stocks at the end of period
Interim of fiscal 2008: - Interim of fiscal 2007:-
Full-fiscal 2007:-

(Reference) Summary of non-consolidated financial conditions and business results

1. Non-consolidated financial conditions and business results for the interim period of fiscal 2008 (October 1, 2007 – March 31, 2008)

(1) Non-consolidated business results (The percentage in the table indicated YOY changes.)

	Revenue		Operating income		Ordinary profit		Net income	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
Interim period of fiscal 2008	3,477	△25.5	845	△73.9	885	△69.0	226	△84.2
Interim period of fiscal 2007	4,667	63.6	3,236	45.8	2,854	37.5	1,432	17.0
Full-fiscal 2007	7,287	—	4,230	—	3,731	—	1,806	—

	Net income per share
	Yen
Interim period of fiscal 2008	187.92
Interim period of fiscal 2007	1,208.06
Full-fiscal 2007	1,516.90

(2) Non-consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million Yen	Million Yen	%	Yen
Interim period of fiscal 2008	72,659	24,319	33.5	20,122.98
Interim period of fiscal 2007	68,642	25,195	36.7	21,141.31
Full-fiscal 2007	78,362	24,950	31.8	20,743.47

(Reference) Shareholders' equity: Interim Period of fiscal 2008: ¥24,308 million
Interim Period of fiscal 2007: ¥25,195 million
Full-fiscal 2007: ¥24,945 million

2. Non-consolidated performance estimates for Fiscal 2008
(October 1. 2007– September 30, 2008)

(The percentage in the table indicates YOY changes.)

	Net revenue		Operating income		Ordinary profit		Net income	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
Full-fiscal 2008	5,412	△25.7	1,158	△72.6	1,119	△70.0	364	△79.8

	Net income per share
	Yen
Full-fiscal 2008	301.46

* Information concerning proper use of forward-looking statements and other special instructions

Forward-looking statements in this material are based on data available to management as of May 15, 2008 and certain assumptions which are believed to be rational. Actual results may differ from these estimates due to unforeseen factors.

I. Business Results and Forecasts

(1) Performance Analysis

(Consolidated business results for the first half of fiscal 2008)

During the interim period, the domestic economy was characterized by sluggish business conditions, largely because of the upheaval that the U.S. subprime mortgage crisis triggered in financial markets around the world as well as the skyrocketing price of raw materials, particularly crude oil, and upward movement of the yen against major currencies, especially the U.S. dollar. It is uncertain at this point in time what direction these issues will take next.

Against this backdrop, FGI continued to receive financing inquiries, mainly for bridging loans, which help to finance property development projects before building permits are obtained, and loans for development-style securitization. But given the state of financial markets, financial institutions at home and abroad remained reluctant to extend non-recourse loans to facilitate property-development projects, which made it more difficult for FGI to arrange structured financing.

To deal with real estate price adjustments, FGI introduced tougher screening standards for investments and loans, effective from October 2007, and began taking a more selective approach to the projects for which it would arrange financing. This narrower perspective limited the number of new investments and loans extended. In addition, the tougher lending stance of some domestic and overseas financial institutions hindered the Company's ability to source funds for structured financing transactions, forcing the cancellation of some arrangements. It has become much harder for FGI to execute structured finance transactions.

In regard to a large-scale project financing transaction that could not be completed as planned by the end of fiscal 2007, FGI undertook a review of the format applied to this transaction in the first quarter. Although an equity stake was subsequently taken in a silent partnership (*tokumei kumiai*) for a special purpose company (SPC) with property to develop, and the SPC was brought into the scope of consolidation, this transaction is still under arrangement.

In December 2007, SP&W Asclepius Investment Partnership No. 4, a consolidated subsidiary of the Company, contributed ¥2.2 billion into a scheme set up to raise capital, primarily for the purchase of medical equipment.

The amount was supposed to have been repaid in March 2008 but is still outstanding, presenting a situation with all the markings of fraud. Therefore, FGI is cooperating fully in the official investigation by the authorities as well as seeking methods to recover as much of the investment as possible.

Through a series of transactions, the investment was backed by listed stock, the market value of which stood at about ¥1.9 billion on March 31, 2008. Based on self-assessment standards set forth in the Financial Services Agency's financial inspection manual, the Company conservatively estimated the investment collateral at a value of about half the market value and decided to transfer ¥1,268 million from allowance for doubtful accounts to selling, general and administrative expenses, applicable to consolidated and non-consolidated interim accounts.

Among subsidiaries, FX Online Japan Co., Ltd. (FXO) warrants mention for posting favorable results from its foreign exchange margin trading business. Juxtaposing this solid performance were the results of Stellar Capital AG and Crane Reinsurance Limited, which saw returns on fund management operations eroded by foreign exchange losses and evaluation losses on marketable securities due to the soaring accent of the yen against the U.S. dollar and major changes in the market environment. Therefore foreign exchange losses and evaluation losses of subsidiaries amounted to ¥475 million and were booked under other expenses. This is an aggregate amount that includes ¥120 million recorded in the first quarter.

Despite the challenges that the FGI Group encountered, consolidated revenue jumped 45.7%, to ¥8,961 million. However, the transfer from allowance for doubtful accounts to selling, general and administrative expenses had a significant impact on profits, as operating income fell 11.6%, to ¥2,312 million, ordinary profit tumbled 32.7%, to ¥1,636 million, and the Group posted a net loss of ¥415 million, compared with net income of ¥1,222 million in the corresponding period a year ago.

Segment performances are presented below.

1. Investment Banking Business

1) Arrangement Operations

i) Arrangement Services

The operating environment in the second quarter was as challenging as in the first quarter, limiting the completion of transactions, excluding those with credit enhancement, to 15. Despite the contribution of profits from a large-scale transaction that was completed in the first quarter, arrangement services generated ¥1,825 million in the first half, down 27.4% year-on-year. Gross profit fell 26.7%, to ¥1,760 million.

ii) Arrangement Services with Credit Enhancement

No transactions required credit enhancement from Stellar Capital in the first half of fiscal 2008, but FGI itself provided credit enhancement on one transaction. One jointly arranged transaction also required credit enhancement.

As a result, revenue from arrangement services with credit enhancement retreated 63.6%, to ¥109 million, and gross profit followed suit, backtracking 63.3%, to ¥106 million.

All told, arrangement operations showed a 31.2% drop in revenue, to ¥1,934 million, and a 30.7% decline in gross profit, to ¥1,866 million.

2) Principal Finance Operations

The Group's investment and loan balance settled at ¥48,270 million. This is an aggregate amount comprising non-consolidated investments in securities, trade and loans receivable, trade as well as short-term loans to subsidiaries involved in investment and lending activities. It does not include subsidiaries' cash deposits. The first-half balance was 34.7% higher than at the end of the first half a year ago, but 2.4% less than at the end of fiscal 2007 six months ago.

In conjunction with a review of the format applied to a large-scale project financing transaction, an FGI subsidiary took an equity position in the silent partnership (*tokumei kumiai*) that had invested in a real estate fund SPC established to facilitate the transaction. The property for development held by the SPC that was brought under consolidation through the contribution of funds has been booked as inventory on FGI's consolidated balance sheets.

The investment did not generate any dividends--cash or otherwise--for FGI. This and the fact that tougher screening standards on regular transactions limited investment and loan activity led to sluggish growth in fees and interest income.

Consequently, principal finance operations marked a 10.7% decrease in revenue, to ¥1,263 million. But gross profit edged up 1.0%, to ¥1,121 million.

3) Other Investment Banking Operations

Revenue from other investment banking operations includes commissions and fees from administrative services as well as income generated by FinTech Global Securities, Inc. (FGS), in its capacity as an agent for special investors to provide products, such as privately placed funds registered overseas, and to handle private placement of domestic securitized transactions.

FGS is engaged in the securitization of principal loan credits and finds investors for the structured finance arrangements put together by FGI. Complementing FGI's own activities, FGS will strive to elicit new synergies from a groupwide perspective to reinforce capabilities.

Unfortunately, revenues from other investment banking operations in the first half of fiscal 2008 tumbled 85.8%, to ¥34 million, and gross profit was close behind, dropping 85.9%, to ¥33 million.

Consequently, revenues from investment banking business decreased 27.7%, to ¥3,231 million, and gross profit declined 25.3%, to ¥3,021 million.

2. Reinsurance/Financial Guarantee Business

Stellar Capital did not provide credit enhancement services on any new transactions during the first half of fiscal 2008 but still recorded earnings on guarantees for existing arrangements.

Crane Reinsurance posted revenue from earned premiums under existing policies only, with book-based premiums pro rated according to contract period, because underwriting for new policies is on hold while certain reinsurance underwriting schemes undergo restructuring.

Entrust, Inc. turned a profit in the month of March 2008, buoyed by the results gained through the October 2007 signing of a business outsourcing contract for rent guarantee services with Daiwa Living Co., Ltd., a wholly owned subsidiary of Daiwa House Industry Co., Ltd. Entrust is expected to close the fiscal year in the black.

Given these performances, revenues from the reinsurance/financial guarantee business plummeted 75.0%, to ¥203 million, while gross profit surged 47.5%, to ¥265 million.

Of note, gross profit for Crane Reinsurance far exceeded revenue since reversal of unearned premium reserve of ¥386 million was deducted from cost of revenue.

3. FX (Foreign Exchange) Business

The online foreign exchange margin trading business--the FX (Foreign Exchange) business--is undertaken by FXO. In an intensely competitive field, FXO was able to steadily expand its client base through aggressive marketing efforts. Heightened volatility in foreign exchange markets spurred actively client trading, leading FXO to record-high transaction volume in the second quarter, from January through March 2008.

The FX (Foreign Exchange) business generated revenue of ¥3,847 million in the first half of fiscal 2008 and the same amount in gross profit. Year-on-year performance comparisons are not provided because FXO's results were not included in consolidated accounting until April 1, 2007.

4. Real Estate Related Business

The disposal of property for sale by consolidated subsidiary FinTech Real Estate generated revenue of ¥1,604 million. This amount was complemented by rental income from property owned by SPCs falling under the scope of consolidation as well as brokerage fees.

All told, revenue from real estate related operations zoomed 93.1%, to ¥1,678 million, and gross profit skyrocketed 133.5%, to ¥167 million.

(Full-Year Forecasts)

1. Investment Banking Business

Of securitized real estate transactions, which represent a mainstay in FGI's investment banking business, development-style securitization is particularly popular among businesses involved in property development projects. There is also strong demand for bridging loans, which carry projects through pre-development stages.

However, market interest in securitized credits on loans to finance real estate related projects seems to have stalled in response to the turbulent conditions that arose in financial markets around the world due to the U.S. subprime mortgage crisis.

In this environment, access to funds for real estate applications has suddenly narrowed, especially from foreign-owned financial institutions, and the real estate market itself appears to have entered an adjustment phase after several boom years.

Consequently, investors are increasingly cautious in picking the projects their funds will be used to finance. Prevailing conditions demand that FGI also be meticulous in its screening process and highly selective in the projects it agrees to arrange structured financing for.

In this challenging market environment, the domestic financial institutions that had supplied senior loans for securitized real estate transactions are unlikely to abandon their vigilant stance on lending.

But demand still exists even in a slump, substantiated by stable rental income from office buildings in city centers. This has attracted overseas fund suppliers with sizable capacity--reinforced with oil money from oil-producing nations and pension funds in developed countries--who are looking for Japanese real estate, which is considered a comparatively inexpensive investment. This kind of investment from abroad will provide a pool of capital for building-oriented equity and mezzanine loans that offer solid return potential.

To help client businesses capitalize on strategic investment activity during this adjustment phase in the real estate market, FGI will act as a conduit between clients and overseas investors and create funds with overseas investors to underpin the arrangement of new fund-procurement schemes. The Company will also infuse arrangements with a higher-value-added quality, such as enhanced project promotion capacity, through credit enhancement from reliable third parties when the participants have weak credit. These efforts will reinforce the arrangement fee income structure with more transactions and strengthen ties to business partners with solid credibility.

To encourage the use of structured financing outside real estate related applications, FGI established a marketing department in April 2008 that is aggressively promoting transactions specifically for projects other than those involving real estate. Working with foreign and domestic financial institutions and venture capital firms as well as our Group member FinTech Global Capital, LLC, which offers advice on venture capital investment, the Company will target listed and seeking-to-list companies with outstanding growth potential that need capital to realize further business expansion. The objective is a wider client base.

FGI expects the investment banking business to generate consolidated revenue of ¥5,177 million in fiscal 2008.

2. Reinsurance/Financial Guarantee Business

Given the fact that Stellar Capital did not provide any guarantees for FGI's arrangements with credit enhancement in the first half, the company is unlikely to increase engage in any new guarantees.

The restructuring of Crane Reinsurance's underwriting schemes has entered the final-adjustment stage with relevant parties to begin underwriting new policies as soon as possible, but the transition to new schemes in fiscal 2008 is fraught with challenges.

Meanwhile, in fund management operations, Stellar Capital and Crane Reinsurance should be able to recover by the end of fiscal 2008 a certain amount of the foreign exchange losses and evaluation losses on marketable securities booked in the first half, given prevailing trends in exchange rates and market conditions.

Consolidated revenue from the reinsurance/financial guarantee business should reach ¥400 million.

3. FX (Foreign Exchange) Business

FXO is expected to enjoy continued revenue growth in the second half of fiscal 2008. The company will maintain its aggressive approach to marketing and focus on client services, especially improved trading conditions, to attract new clients and cement its leading position as an individual-oriented financial services provider. The company will also establish a solid reputation for worry-free trading, through enhanced internal control measures, including more rigorous compliance practices.

The FX (Foreign Exchange) business should contribute ¥7,928 million to consolidated revenue.

4. Real Estate Related Business

Real estate related Business generates revenue from property brokerage, rental income and the sale of buildings linked to development-style securitization arrangements packaged by FGI.

Only transactions expected to be closed by year-end have been included in the fiscal 2008 forecast. Based on this perspective, revenue from real estate related operations should contribute ¥2,120 million to consolidated revenue.

With the above performance estimates in mind, FGI anticipates revenue of ¥15,626 million, operating income of ¥5,024 million, ordinary profit of ¥4,768 million and net income of ¥614 million for fiscal 2008.

Note: Cautionary Statement regarding Consolidated Forecasts

Forward-looking statements, including performance forecasts, presented in these materials are based on information currently available to management of the Company and reflect certain reasonable assumptions. A number of factors could cause actual results to differ greatly from expectations.

(2) Financial Position

Assets, Liabilities and Net Assets

The status of assets, liabilities and net assets, as of March 31, 2008, are as follows.

Current assets stood at ¥99,703 million, up ¥17,455 million from September 30, 2007. This change reflects a ¥14,536 million drop in loans receivable, trade, owing to collection of loans receivable, trade, and a ¥33,831 million gain in inventory, because the equity stake acquired by an FGI subsidiary in a SPC with property for development--booked as inventory--following a review of the format applied to a large-scale project financing transaction was based on a silent partnership (*tokumei kumiai*) agreement that turned the SPC into a business entity and subsequently brought under the scope of consolidation.

Fixed assets reached ¥7,203 million, down ¥1,288 million from September 30, 2007. The decrease comprises a reduction of ¥734 million in goodwill and a reduction of ¥594 million in investment in securities.

Current liabilities settled at ¥55,189 million, up ¥19,838 million from September 30, 2007. This change reflects a ¥1,927 million drop in deposits from customers against a ¥18,137 million rise in short-term debt and a ¥1,105 million increase in income taxes payable.

Fixed liabilities were ¥24,565 million, down ¥3,633 million from September 30, 2007, which was almost completely due to a decline--at ¥3,270 million--in long-term debt.

Net assets amounted to ¥27,152 million, down ¥38 million from September 30, 2007, largely because a ¥1,297 million increase in minority interests arising from an boost in the net assets of FXO and the inclusion of FINTECH GIMV FUND, L.P., in consolidated accounting almost offset a ¥1,317 million decline in retained earnings.

Consequently, as of March 31, 2008, total assets stood at ¥106,906 million, total liabilities, at ¥79,754 million, and net assets, at ¥27,152 million. The equity ratio was 22.1%.

Cash Flow

Cash and cash equivalents (hereafter, “cash”) at March 31, 2008, amounted to ¥12,142 million, down ¥3,020 million from September 30, 2007.

An analysis of cash flows for the first half of fiscal 2008 is presented below.

Net cash provided by operating activities came to ¥11,440 million, compared with ¥2,694 million in the corresponding period a year earlier. This sizable increase emerged despite a ¥5,883 million increase in inventory and the use of ¥1,927 million in deposits from FX (Foreign Exchange) customers, because of a ¥15,876 million decrease in loans receivable, trade through collection and the use of ¥1,789 million in FX (Foreign Exchange) business deposits.

Net cash used in investing activities amounted to ¥11,556 million, compared with ¥6,346 million in the corresponding period a year earlier. This moderate increase is primarily the result of ¥11,988 million in cash acquired, net of payment for purchase of newly subsidiaries, namely, equity taken in a silent partnership (*tokumei kumiai*) SPC coinciding with a review of the format applied to a large-scale project financing transaction.

Net cash used in financing activities reached ¥2,858 million, a turnaround from the ¥8,938 million in net cash provided by financing activities in the first half of fiscal 2007. The change in position is due to outflow of ¥895 million to pay dividends and ¥5,257 million to retire long-term debt, compared with inflow comprises a ¥1,637 million net increase in short-term debt and ¥567 million in proceeds from the issuance of common stock to minor shareholders.

Reference: Indicators of Cash Flow Status

(First half ended March 31, 2008, and fiscal years ended September 30, 2007, 2006, 2005 and 2004)

	2004	2005	2006	2007	2008 (First Half)
Shareholders' equity ratio (%)	44.9	42.6	40.6	27.6	22.1
Shareholders' equity ratio on a market value base (%)	—	968.6	195.1	46.8	12.2
Cash flow to liabilities with interest ratio (%)	128.3	—	—	—	356.1
Interest coverage ratio (times)	173.93	—	—	—	41.4

Notes:

1. The indicators in the table above were calculated according to the following formulas, using data from the consolidated financial statements.

   Shareholders' equity ratio: Shareholders' equity / Total assets

   Shareholders' equity ratio on a market value base: Total market value of stocks / Total assets

   Cash flow to liabilities with interest ratio: Liabilities with interest/ Operating cash flow

   Interest coverage ratio: Operating cash flow / Interest payments

   - Cash flow refers to operating cash flow or Cash Flows from Operating Activities, as listed in the Consolidated Statements of Cash Flows.
   - Liabilities with interest refer to all liabilities recorded on the consolidated balance sheets and for which interest is paid. Interest payments represent the amount of interest paid and appear on the Consolidated Statements of Cash Flows, under Cash Flows from Operating Activities as "Interest expenses".
2. Shareholders' equity ratio on a market value base is not provided for fiscal 2004 because the Company was not yet listed as of September 30, 2004.
3. Cash flow to liabilities with interest ratio and interest coverage ratios are not entered for the fiscal years ended September 30, 2005, 2006 and 2007 because the Company posted negative cash flows from operating activities in these years.
4. Liabilities with interest for the cash flow to liabilities with interest ratio in fiscal 2007 and fiscal 2008 do not include the ¥22,170 million generated through the issue of ¥20,000,000,000 Zero Coupon Convertible Bonds due 2012 in February 2007 because these bonds are zero-coupon rated.

(3) Dividends and Basic Policy on Profit Distribution

Management prioritizes a dividend policy that returns profits to shareholders. But this objective is tempered by a commitment to maintain internal reserves at a level sufficient to quickly and properly reinforce the business base and to fund expanding operations. Therefore, management takes an overall perspective toward dividend amounts and considers such factors as fiscal results and future business development.

The formula for determining dividends ensures a payout ratio of 40%. Specifically, dividends will comprise a stable component equivalent to 20% of anticipated net income, as estimated at the beginning of the fiscal year, plus a performance-based component that weighs fiscal results against the stable component when non-consolidated net income reaches a certain benchmark.

In the event the stable dividend component exceeds 40% of non-consolidated net income in total, only the stable dividend component will be distributed to shareholders of record.

Under basic policy, a stable dividend component will be paid out twice a year, for interim and year-end settlements. The interim dividend will comprise only a stable dividend portion, and the year-end dividend will include a performance-based component tacked on to the stable dividend component.

Notwithstanding this objective, if certain unanticipated factors cause actual non-consolidated net income to differ from the estimate, the performance-based component may be revised, in consideration of such variables as fiscal results and operating environment.

In line with the aforementioned policy, the interim dividend--set at ¥165 per share for the first half of fiscal 2008--comprises only a stable dividend portion. The year-end dividend will include a performance-based component in addition to a ¥165 per share stable dividend portion. Currently anticipating that 40% of non-consolidated net income per share will not exceed the combined interim and year-end stable dividend portion of ¥330 per share, the Company will pay only the stable dividend portion at year-end as well.

4) Business Risks

Major risk factors with the potential to impact the business activities of the Group are described below. Risk factors that are not necessarily applicable to the Group's activities but may be important to investors in their decision-making plans have been included to enhance investor-oriented disclosure practices. Forward-looking statements are based on assumptions formed by executives of the Group from information current as of May 15, 2008.

a) Risks inherent in Expanding Operations

As of March 31, 2008, the Group employed 136 regular staff members as well as 12 casual and temporary staff members. More staff will be hired as operations expand, and internal control structures will be reinforced accordingly.

Any delay, however, in the establishment of a human resource structure appropriate to the scale operations caused by the inability to recruit additional staff as planned could hamper the execution of business activities under the Group umbrella and stall further expansion of current and future activities.

Furthermore, the business content of the Group is specialized and requires sophisticated know-how. A management priority is thus to attract and keep employees at a level that supports the Group's rate of growth.

Group companies intend to actively recruit people with excellent skills and provide appropriate in-house training, paralleling business development. If, however, existing personnel were to leave all at once, staffing needed by the Group were not adequately maintained, programs to train new employees were not properly implemented, or management controls failed to keep up with sudden organizational expansion, then the progress of corporate growth might slow or stop and business opportunities might be lost.

b) Risk associated with Licenses and Approvals

Depending on the structuring involved in asset securitization undertaken by the investment banking division, the Group is, or may be, subjected to certain legal restrictions. The Financial Instruments and Exchange Law, in particular, may require certain official procedures, such as the registration of scheme participants as traders of financial instruments, on structuring that falls under the scope of this law, which might then precipitate circumstances that impede the formation of structuring transactions or necessitate greater cost or more time than is usually expended in the execution of such transactions.

The amendment or abrogation of laws and regulations in the future by legislative bodies and political administrations and possible reinterpretation of laws and regulations by the respective authorities are developments that could possibly narrow the scope of activities that the Group is allowed to conduct, elevate the costs that must be borne to execute such activities, and prompt the appearance of new business risks. Such changes could impact Group performance and the viability of business pursuits now and yet to come.

Amended laws and ordinances, or reinterpretation of such legislation, as well as changes in structuring could, when the Company or members of the Group seek to acquire or renew licenses and other legally required approvals, necessitate the hiring of additional personnel and obligate the Company to reinforce overall compliance, including the establishment of a firewall, which would contribute to higher compliance-related expenses.

It is possible that material facts disclosed by the Company or advice extended by the Company, in accordance with such laws and the general principles stated in the Civil Code, may be perceived, respectively, as serious falsification or misrepresentation of data, or simply inaccurate. Even if the Company is not actually at fault, calls for compensation by alleged victims raises the risk of incurring substantial litigation costs and/or a tarnished reputation.

Violation of stated legislation could cause a delay in the execution of business activities, as the authorities investigate the alleged contravention, and the Group could also be subject to punishment, including fines, suspension of business and termination of licenses and approvals.

The Company, which was registered with the authorities as a beneficial rights trader in accordance with Article 86, Item 1 of the old Trust Business Law, is now recognized as a Type 2 financial instruments business--Kanto Local Finance Bureau License (registration) No. 1469 (Financial Instruments Trader (*kinsho*))--in accordance with Article 29 of the Financial Instruments and Exchange Law, pursuant to Supplementary Article 200, Item 1 of the Law for Partial Amendment of the Securities and Exchange Law, and trades certain financial instruments as part of asset securitization undertaken by the investment banking division.

The validity of a financial instruments business license is open-ended and therefore renewal is unnecessary. However, Article 29, Item 4 of the Financial Instruments and Exchange Law stipulates reasons for denying a license and Article 52 of the same law describes situations that warrant the cancellation of a license or the issuance of a business suspension order. As of this date, management knows of no reasons or situations that would warrant the refusal or cancellation of the Company's license, but if the Company were to lose its license or be ordered to suspend operations, such developments would impede the execution of business activities and could adversely impact fiscal performance.

The Company is registered as a moneylender--Tokyo Government (2) License (registration) No. 28474--in accordance with Article 3, Item 1 of the Money-Lending Business Control and Regulation Law, which comprises regulations for loan business in Japan, and undertakes lending operations as part of asset securitization undertaken by the investment banking division. The Company's current moneylender's license is valid from April 29, 2007, to April 28, 2010.

Article 6 of the Money-Lending Business Control and Regulation Law stipulates reasons for denying a license and Article 37 and Article 38 of the same law describe situations that warrant license cancellation. As of this date, management knows of no reasons or situations that would prevent license renewal or cause cancellation of an existing license, but if the Company were unable to renew its license or loses an existing license for any reason whatsoever in the future, such status could impede the execution of business activities and could adversely impact fiscal performance.

Two consolidated subsidiaries are also registered as moneylenders: FinTech Principal Investment Incorporated, holding Tokyo Government (1) License (registration) No. 29731, the validity of which is from December 1, 2005, to November 30, 2008; and FGI Principal Co., Ltd., holding Tokyo Government (1) License (registration) No. 29399, the validity of which is from June 30, 2005, to June 30, 2008.

The Company is registered as real estate agent--Tokyo Government (1) License (registration) No. 88189--in accordance with Article 3, Item 1 of the Real Estate Transaction Business Law and pursues real estate transaction business as part of asset securitization undertaken by the investment banking division. The Company's current license as a real estate agent is valid from September 15, 2007, to September 14, 2012.

Article 5 of the Real Estate Transaction Business Law stipulates reasons for denying a license and Article 66 and Article 67 of the same law describe situations that warrant license cancellation. As of this date, management knows of no reasons or situations that would prevent license approval or cause cancellation of an existing license, but if the Company were unable to renew its license or loses an existing license for any reason whatsoever in the future, such status could impede the execution of business activities and could adversely impact fiscal performance.

Consolidated subsidiary FinTech Real Estate, Inc., is also registered as a real estate agent--Tokyo Government (1) License (registration) No. 84063--and its license is valid from January 22, 2005, to January 21, 2010.

Services of the Group not currently subject to legal regulations would require approvals and licenses and notification of intent if laws or ordinances are enforced at a future date. If the Group were unable to respond to such formalities, the business activities of the Company might suffer and fiscal performance could be adversely affected. At the current time, management is of the opinion that the Company and the Group would be able to respond appropriately to necessary procedures regarding any services that require new approvals and licenses as well as notification of intent paralleling revision of laws and ordinances.

c) Risk of Dilution of Stock Price due to Exercise of Warrants

The Company grants subscription rights as stipulated in Article 280-19 of the old Commercial Code, to members of the Company's Board of Directors, staff and qualified supporters, based on a special resolution passed at the ordinary shareholders' meeting held December 25, 2001, and stock acquisition rights to directors and staff of the Company and directors at subsidiaries and affiliates, as stipulated in Article 280-20 and Article 280-21 of the 2001 revision of the old Commercial Code, based on special resolutions passed at the extraordinary shareholders' meeting held June 16, 2004, and at ordinary shareholders' meetings held December 3, 2004, and December 20, 2005, and resolutions passed at special Board of Directors' meetings held December 1, 2004, December 14, 2004, December 2, 2005, and April 27, 2006. Stock acquisition rights are further granted to employees of the Company as stipulated in Article 236, Article 238 and Article 239 of the Company Law, based on a special resolution passed at the regular shareholders' meeting held December 20, 2006, and a resolution passed at a special Board of Directors' meeting held June 1, 2007.

Resolutions were passed at the annual general meeting of shareholders on December 20, 2007, regarding concrete details and remuneration amounts for stock acquisition rights issued to directors as stock options as well as assigning decision-making authority to the Board of Directors on subscription terms and conditions for stock acquisition rights issued to employees of the Company as stock options.

Management intends to maintain this structure. If currently surviving subscription rights and equity warrants are exercised, the action could dilute the per-share value of the Company's stock.

Compared with 1,207,985 shares outstanding, as of March 31, 2008, the number of residual securities of share warrants, based on the exercise of stock options, reached 55,255. This includes subscription rights without dilution effect. The Company has set out conditions, such as the period during which rights may be exercised and the number of shares that may be acquired through exercise of rights, in its “Agreement for Granting New Share Subscription Rights,” which is a contract between the Company and right holders.

In February 2007, the Company issued the ¥20,000,000,000 Zero Coupon Convertible Bonds due 2012 (hereinafter referred to as “Euroyen CB”), with par value of ¥22,170 million. The Company opted for a conversion price higher than market value to minimize dilution of earnings per share and tacked on a 120% conversion reserve clause to restrict the exercise of warrants. However, it is possible that the per-share value of the Company’s stock will be diluted when the warrants attached to this Euroyen CB are exercised.

Compared with 1,207,985 shares outstanding, as of March 31, 2008, the number of new shares to be issued, based on the exercise of warrants attached to this Euroyen convertible bond, stood at 139,785.

Consolidated subsidiaries have also issued equity warrants.

d) Risks Affecting Fiscal Performance and Financial Position

Five-Year Summary of Key Fiscal Results

Interim period ended March 31, 2008, and years ended September 30, 2007, 2006, 2005, 2004 and 2003.

(Thousands of yen)

Fiscal year / Item	2003	2004	2005	2006	2007	2008 (Interim)
Consolidated						
Revenue	195,255	945,051	2,463,575	8,231,713	16,914,147	8,961,842
Ordinary profit (loss)	(20,168)	462,594	1,571,190	5,581,091	5,951,671	1,636,062
Net income (loss)	(72,486)	352,937	908,659	3,235,755	1,767,784	(415,505)
Net assets	(9,773)	663,164	3,427,073	24,957,929	27,191,098	27,152,757
Total assets	135,931	1,478,601	8,042,288	61,229,108	90,740,474	106,906,968
Number of employees (Average number of temporary employees) (persons)	8 (1)	11 (2)	30 (4)	55 (6)	129 (11)	136 (12)
Non-consolidated						
Revenue	195,255	945,051	2,463,575	7,544,427	7,287,612	3,477,969
Ordinary profit (loss)	(21,609)	463,834	1,603,975	5,480,380	3,731,105	885,872
Net income (loss)	(73,223)	354,215	930,533	3,234,627	1,806,623	226,235
Common stock	230,385	550,385	1,303,735	10,624,769	10,736,448	10,764,217
Net assets	(10,558)	663,657	3,449,440	24,896,403	24,950,236	24,319,816
Total assets	137,501	1,480,205	8,015,569	58,595,137	78,362,938	72,659,826
Number of employees (Average number of temporary employees) (persons)	8 (1)	11 (2)	23 (4)	42 (6)	78 (8)	82 (4)

Notes:

1. Revenue does not include consumption tax.
2. The average number of temporary employees is the annual average for casual staff and temporary staff.

Seeking to list its stock, the Company embarked on a business expansion plan in fiscal 2002, the fiscal year ended September 30, 2002. Until that point, the Company was essentially run by two people--Nobumitsu Tamai, current president and CEO, and Ken Fujii, then-chairman--and one or two large-scale structured finance transactions were sufficient to support operations.

Despite an increase in personnel and successful marketing in fiscal 2002, the Company posted a sizable loss that year, because many securitization transactions initiated that year required between six months and a year to complete and because some transactions were eliminated.

To clear prevailing challenges during this re-establishment phase and stabilize the revenue structure, the Company assumed concurrent execution of several transactions and worked to create a structure that would underpin greater efficiency in arrangement operations.

The Company has seen considerable growth in earnings since fiscal 2004, thanks to favorable demand for repeat transactions from existing clients and comparatively steady interest from new clients. Profitability has also improved, owing to the application of a more efficient process for undertaking requests.

In fiscal 2006, the Company entered the reinsurance/financial guarantee business and marked outstanding progress in its principal finance operations through a dramatic increase in fund-procurement capacity.

In fiscal 2007, the Company posted a mixed performance. The acquisition of 45.0% equity in FXO added the fx (foreign exchange) business to the Company's corporate résumé and supported higher consolidated revenue. But profits fell. The Company was unable to close certain development-style securitization arrangement for a large-scale project as planned, and the appearance of other expenses caused non-consolidated revenue and profit to decline.

Fiscal 2007 results were also impacted by PITF (Practical Issues Task Force) No. 20, "Practical Solution on Application of Control Criteria and Influence Criteria to Investment Associations," issued by the Accounting Standards Board of Japan on September 8, 2006, which prompted the Company to include in the scope of consolidation SPCs set up with transactions arranged by the Company. Previously, such SPCs were excluded from consolidation.

Businesses need the finance industry, of which the Company is a part, to devise innovative financial instruments and financing schemes, and demand for related services is integral to further development of the Group. Therefore, past results alone may not provide all the data necessary for estimating future results. The business model applied by the Company is relatively new to Japan, and if the Company cannot establish solid competitive excellence in a relentlessly competitive environment, there is no guarantee that the Company can sustain revenue growth and high profitability. In addition, fiscal results can fluctuate widely, depending on the number of development-style securitized real estate arrangements undertaken and closed.

e) Market Environment Risk

Generally speaking, real estate is the most common asset used for securitization, and at FGI, real estate related products, such as development-style securitization, are the key components of the Company's current arrangement operations. Consequently, the Group's performance could be negatively influenced by certain trends in the real estate market and changes in legal and tax accounting regulations as applied to real estate securitization.

In a broader sense, the Company's business is affected by changing economic conditions and financial market status. But market upheaval and downturns can be triggered by more than just economic factors; events such as war, terrorism and natural disasters may also cause markets to turn sluggish. These events could adversely impact the fiscal results of the Group, because they could precipitate a sudden rise in interest rates. This would cause lending costs on financial arrangements to increase and possibly prevent FGI from completing transactions, which would erode profits.

Also of note, the U.S. subprime mortgage crisis has had lingering effects financial markets worldwide, exemplified by deteriorating liquidity and a credit crunch that reflects moves among financial institutions to tighten their limits on allowable risk. Still-unresolved problems associated with the subprime mortgage crisis may continue to influence trends in financial markets around the globe.

f) Client Risk

The Company's arrangement services generate income from SPCs, which are established to facilitate the securitization of a specific asset. Since each securitized transaction has its own SPC and thus the revenue provided through securitized transactions is limited to the respective SPC, it is essential that the Company work continuously to form new transactions for new clients. The success or failure of marketing activities could cause Group performance to vary.

g) Property Development Projects

Development projects for which the Group arranges financing may encounter delays in getting building permits and completing the construction of the buildings subject to financing. The primary causes of such delays are the discovery of toxins or environmentally harmful substances in or on the land, the unearthing of historic ruins, actions of neighborhood lobby groups, and directions or guidance by the authorities, any of which could appear before the developer obtains a building permit or during the construction process. Such events and subsequent delays could lower the recovery rate on investments and loans extended by the Group and thereby impact Group performance.

h) Principal Finance Risk

In principal finance operations, members of the Group act as suppliers of funds by investing in projects and extending loans to facilitate the structured finance transactions arranged by the Company.

If circumstances beyond the Group's control, such as deteriorating credit risk in the investment or lending targets or transaction participants, unfavorable changes in the market associated with the assets put up as collateral, or force majeure, such as earthquakes, were to occur, the investments and loans might not generate the anticipated returns or the amounts could be lost entirely.

Even when business trends are generally positive in the industry, losses could results, depending on the risk unique to each transaction and the risk inherent in the assets put up as collateral.

Changes in the principal finance balance--that is, investments and loans--are presented below.

Principal Finance Balance

Interim period ended March 31, 2008, and years ended September 30, 2007 and 2006.

(Millions of yen)

	2006		2007		2008
	First Half	Second Half	First Half	Second Half	First Half
New transactions	37,340	31,720	26,438	45,182	24,805
Selling/refinance/arbitrage	5,344	39,617	24,558	31,882	38,760
Loans receivable, trade/ Investments in securities, trade	37,743	29,846	31,726	45,026	31,071

Note: Loans receivable, trade and investments in securities, trade are recorded separately on the Consolidated Balance Sheets.

Liquidity and swift fund procurement capabilities are indispensable to the Group's principal finance operations. The inability to maintain sufficient liquidity could prevent clients and partners from pursuing transactions with the Group. The Company, itself, has a short corporate history, so access to bank loans, which typically require a well-established credit history, is limited.

At the Group level, overall liquidity could be damaged by market upheaval, sluggish conditions in the real estate market and a tougher regulatory perspective by the authorities. When faced with such developments, financial institutions and investors would tend to lower their limits on allowable risk. Management issues that impact clients or third parties could also narrow Group liquidity.

I) Inventory Risk

The Group booked inventory of ¥39,695 million, up from ¥5,864 million at the end of September 2007, as property for sale on the consolidated balance sheets. The Group's policy is to dispose of the majority of buildings under property for sale as quickly as possible, but certain factors, particularly a decline in real estate prices, due to interest rate levels or deteriorating market conditions, could lead to evaluation losses or losses on disposal.

J) Fund Management Risk

Group companies Stellar Capital and Crane Reinsurance, which are involved in the reinsurance/financial guarantee business, undertake fund management activities. Investment instruments such as marketable securities are exposed to such risks as price, interest rate and exchange rate volatility.

If the investment environment, including market trends, underwent a major shift, huge evaluation losses and forex losses could result. The business results of the Group and its financial standing could be adversely affected.

k) Competition Risk

Generally speaking, people with experience in structured finance--the Group's forte field--are few and far between in the finance industry as a whole.

The Company boasts an efficient service structure that hinges on a small team of people rather than an excessively large non-marketing division to promote resourceful business development. This structure makes it possible to respond cost-effectively to the need for small-scale, low-profit transactions and ensures the Company's ability to offer services to midsized business groups as well as major corporations.

However, competition over transactions would intensify if a mega financial group, based either in Japan or abroad, were to expand into the specialized realm that the Group currently profiles, if a boutique-type investment bank providing services similar to those offered by the Group were established with access to expert knowledge, such as that amassed by former employees of the Company, or other companies enter this business and successfully overcome entry barriers, namely the need for service efficiency, a skilled workforce and standardized financial technologies. Heightened competition could hurt the Group's performance.

l) Outdated Financial Technology Risk

The Company continually strives to keep its financial technologies innovative and cutting-edge. But financial technologies touch on law, accounting, taxation, statistics and mathematics, and daily changes to any aspect will cause the overall technologies to evolve, so failure to consistently upgrade or replace existing financial technologies and apply improvements to marketable financial products could lead to outdated and less competitive financial technologies in use. If this happened, the Company's performance could be severely reduced.

m) Risks pursuant to the Reinsurance/Financial Guarantee Business

In the reinsurance and financial guarantee business, certain members of the Group underwrite on risk inherent in arrangements packaged by the Group--credit enhancement--as well as rent guarantees and coverage for household effects. The risks involved in underwriting credit enhancement and insurance are far greater than the risks incurred in arrangement operations. If actual losses were to exceed profits in the reinsurance/financial guarantee business or conditions in international insurance markets were adversely affected by terrorist acts or other events with major consequences, the fiscal performance of the Group and its financial position could be seriously impacted.

n) Risks associated with Strategic Investments, Mergers, Joint Ventures and Entry into New Businesses as well as Aspects of Uncertainty

The Group seeks to reinforce its core business through internal expansion and development as well as through strategic investments, mergers and joint ventures (hereafter, collectively referred to as "M&As)".

Various risks and uncertainties emerge in the execution of M&As, including issues associated with management systems, the consolidation and integration of relevant services and systems, the standardization of accounting and data-processing systems, and relationship adjustments with clients and business partners. It may be difficult to achieve desired levels of synergy, M&A-efficiency and cost reduction.

A great deal of weight is placed on systems, administration and personnel in determining the success of a joint venture, but such aspects of a business are not under the Company's complete control. In addition, conflicts and differences of opinion between joint venture partners and participating Group members could hurt the Group's overall business prospects. Another concern is the possible dilution of existing shares caused by the issue of new shares upon the realization of a merger or the establishment of a joint venture.

Vast resources are expended to reinforce current operations, enter new businesses and create new products, and these efforts may incur considerable but unexpected losses, costs and monetary obligations. Business expansion and the pursuit of mergers and joint ventures obviously require management's attention, but the concentration of management expertise in these areas leaves a gap in other areas. Lopsided allocation of resources--both monetary and executive--could weaken the Company's capital and equity positions and oversight capabilities, which could in turn seriously effect Group management.

The Group intends to extend structured finance operations to targets in markets other than the real estate market. The successful establishment of a presence in other markets hinges on the ability to accurately identify demand for structured finance in each market. If efforts fail, the Group's performance and its financial position could suffer.

o) Business and Financial Risks Caused by the Acquisition of Equity in FX Online Japan

In January 2007 and again in March of the same year, the Company purchased stock in FXO, a young, unlisted company, and made it a consolidated subsidiary. FXO provides online forex margin trading services to individuals, a business focus that holds tremendous growth potential.

However, the Group's investment in FXO is considerable, given the scale of the Group's operations, and the business activities of FXO could exert a major negative impact on the Group's business as a whole for the following reasons.

1) Regardless of the vast investment by FGI to acquire shares in FXO, the returns expected by FGI on its investment may not be achieved if the business undertaken by FXO does not go in the direction that FGI was led to believe the company would pursue.

2) Along with the purchase of stock in FXO, the FGI Group assumed about ¥7.3 billion in goodwill. This amount was derived by deducting FXO's net assets from the amount paid for FXO stock and will be amortized over five years, from April 2007. Management expects FXO to generate profits in these five years that exceed the amortization amount, but this performance is not guaranteed. If FXO's business activities do not proceed as planned, the Group might have to record as a loss all or part of the unamortized amount that still remains at that time, which could have a significantly detrimental impact on the performance of the Group.

3) FXO has achieved rapid growth using a revolutionary business model that debuted upon the company's establishment in 2002. But the company's corporate governance structure, including internal control systems, is still under development since rapid business expansion is not over yet. That is, a final governance structure is difficult to implement as long as business is growing at the current rate.

Consequently, efforts to enhance corporate governance and recruit the necessary personnel could cause expenses to bloom. Moreover, failure to implement a suitable corporate governance structure could prompt regulatory action by the relevant authorities.

In its provision of online services to individuals, FXO handles a diverse range of confidential information, including personal data, in accordance with Japanese law. If the company were to violate such laws and regulations, including inappropriate handling of personal data, the company would be subject to regulatory action, which could severely tarnish the company's reputation.

In addition, the company relies heavily on service providers for both hardware and software. If these service providers, which have no capital alliances with the company, fail to provide accurate, uninterrupted services, FXO might sustain serious damage to the continuity of its own services.

FXO has enjoyed a steady increase in client numbers but violent fluctuations in exchange rates could lead to major losses for clients, which might cause the company's client base to crumble.

p) Risks related to Restrictive Financial Covenants

Some of the loans members of the Group have taken from financial institutions carry restrictive financial covenants based on the value of net assets recorded on the consolidated and non-consolidated balance sheets at the interim and year-end settlements each business year and on ordinary profit recorded on the consolidated and non-consolidated statements of income at the year-end settlement each business year. If these amounts run counter to stated covenants, the Company will forfeit profits up to the limit claimed by the lending bank, or banks. Should this occur, other lending banks might also claim a certain amount of profits and demand immediate repayment of the full amount of respective loans. This could have a seriously disadvantageous outcome on the performance and financial position of the Group.

If certain events of default were to appear in regard to the February 2007 issue of Euroyen CB -- total par value of ¥22,170 million -- with stock acquisition rights due in 2012, the trustee may, at its discretion, call for the immediate redemption of said bonds and will notify the Company of this decision, and if bondholders having more than one-quarter of the surviving face value of the bonds when events of default appear request notification of a decision to seek the forfeiture of profits within the limits of said bonds or an extraordinary resolution by bondholders indicates that such a request will occur, the trustee will notify the Company of forfeiture of profits within the limits of said bonds.

Should such a scenario come to pass, the Company might be forced to redeem the entire amount early, which could seriously erode the Group's performance and financial position.

q) Risk of Reliance on Liabilities with interest

Members of the Group involved in principal finance operations acquire some of the funds used in this activity through loans from financial institutions. The ratio of liabilities with interest to total assets stood at 19.3%, at September 30, 2006, 28.8%, at September 30, 2007, and 38.1%, at March 31, 2008, indicating an upward trend. Principal finance operations are one wheel of the investment banking cart--the other being arrangement services, which the Company has undertaken since before its stock listing--and have become a key source of profit.

The higher liabilities with interest ratio at March 31, 2008, is largely due to an increase in short-term loans taken by a silent partnership (*tokumei kumiai*) SPC with property to develop—booked as inventory—that was brought under consolidation because of an equity investment by an FGI subsidiary following a review of the format applied to the large-scale project financing transaction for which this same SPC was established.

Accordingly, if current interest levels change, the Group's performance and financial position could be affected. But interest rates on the funds extended through principal finance operations would also rise, so the impact of higher interest rates is not necessarily all bad.

However, the inability to acquire loans from banks, as planned, could impact the execution of business activities, so the Group will actively seek to diversify its fund-procurement methods.

r) Impact Associated with Outstanding Investment by SP&W Asclepius Investment Partnership No. 4

On December 20, 2007, consolidated subsidiary SP&W Asclepius Investment Partnership No. 4, a voluntary partnership (Nini Kumiai) under the Civil Code, contributed ¥2.2 billion into a financing scheme. The investment was to be repaid by March 21, 2008, but as of the disclosure date of these materials on first-half results, the amount remains outstanding.

Through a series of transactions, the investment was backed by listed stock, the market value of which stood at about ¥1.9 billion on March 31, 2008. A preservative attachment is possible at a certain percentage.

Members of the Group involved in this situation remain committed to recovering the finance receivable, but a quick collection of the entire amount is unlikely, so the Company has set aside an amount from reserve for doubtful accounts.

The listed stock provided as collateral carries legal risk associated with executing collateral as well as market risk, such as price movement. Therefore, the inability to recover--fully or partially--the finance receivable could severely erode the Group's business results and financial standing.

II. Group Status

The Group comprises FinTech Global Incorporated (FGI), 21 consolidated subsidiaries and five unconsolidated subsidiaries and operates as a boutique-type investment bank.

FGI is at the core of the Group. Unlike megabanks, which offer various services over a diverse financial spectrum, the Company focuses solely on structured finance and pursues high-level, specialized investment banking services.

Major subsidiaries are described below.

FinTech Global Securities, Inc. (FGS), acts as an agent for special investors to provide products, such as privately placed funds registered overseas, and to handle private placement of domestic securitized transactions.

FinTech Real Estate, Inc. (FRE), seeks to capitalize on real estate related profit opportunities, such as brokerage and silent partnership (Tokumei-Kumiai) investments, that derive from arrangements put together by FGI.

Entrust, Inc., offers major national and regional rental housing management companies in Japan services to guarantee rent in the event tenants are in arrears.

Switzerland-based Group member Stellar Capital AG provides final underwriting on Entrust's guarantees to facilitate one-stop services for property management companies who are clients of the FGI Group. Stellar Capital itself underwrites credit enhancement facilities incorporated into certain arrangements packaged by FGI.

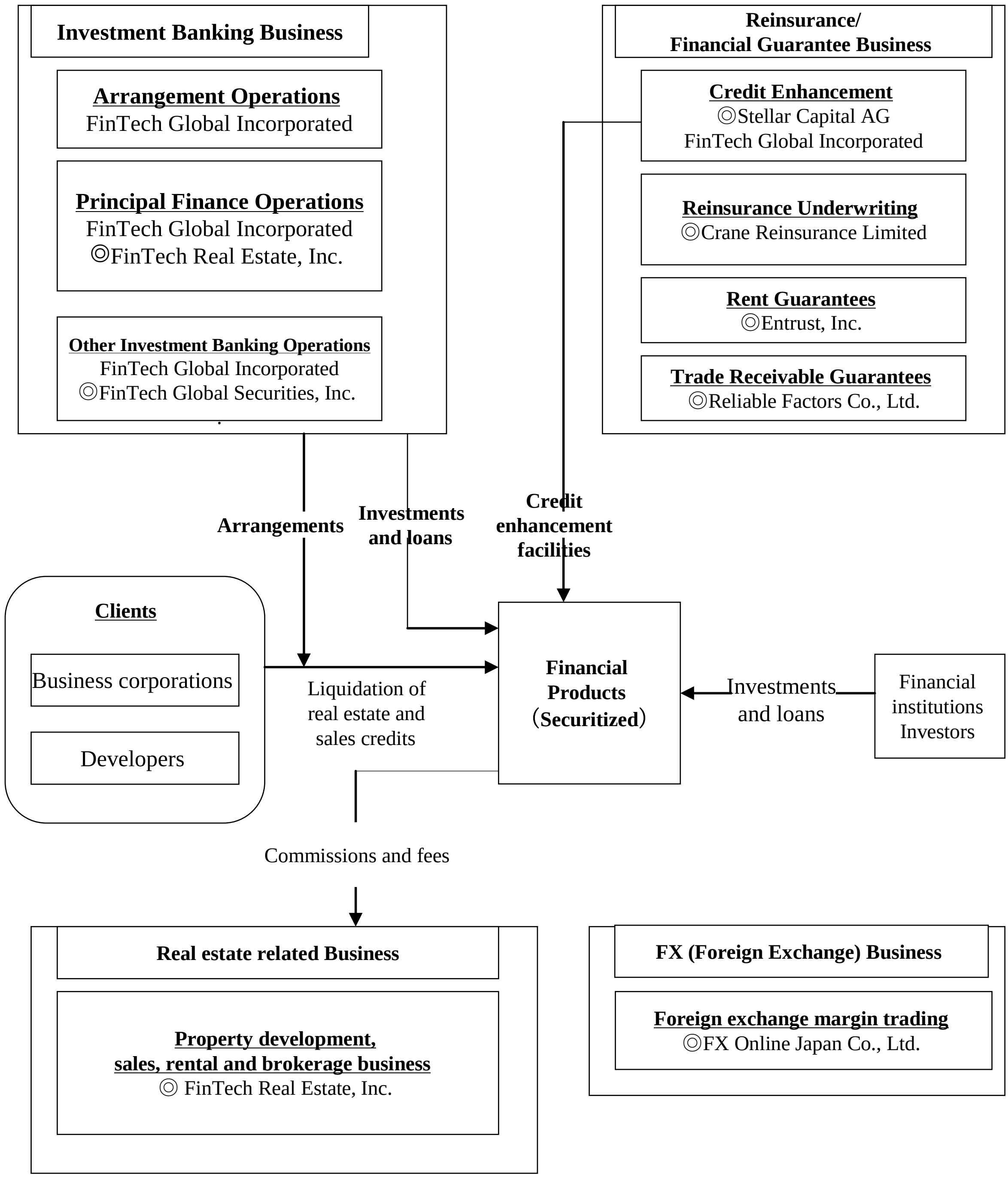
Crane Reinsurance Limited, operating in Bermuda, underwrites reinsurance, primarily policies held by major property management companies in Japan to cover the household affects of tenants.

FX Online Japan Co., Ltd. (FXO), was brought into the Group as a consolidated subsidiary through the purchase of stock in January 2007 and March 2007 for an aggregate equity holding of 44.99%. The company is engaged in online forex margin trading.

Reliable Factors Co., Ltd., provides guarantees on trade receivables.

In the first half of fiscal 2008, FINTECH GIMV FUND, L.P., a venture fund targeting investment in Japanese and overseas venture companies specializing in technology sectors, particularly information and communications, new materials and life sciences, and SP&W Asclepius Investment Partnership No. 4 were designated specified subsidiaries.

A composition chart showing the activities undertaken by the Group is presented on the next page.



Note: ◎ indicates a consolidated subsidiary

III. Management Policy

(1) Basic Direction

FGI's raison d'etre is to make companies in all industries aware of the benefits to be gained through innovative structured finance services. As a boutique-type investment bank, the Company seeks to address wide-ranging financing needs with original, leading-edge financial products and schemes geared to the changing financial environment. Through risk-hedging and credit enhancement utilizing insurance and guarantee facilities, FGI demonstrates its core competence—maximizing financial possibilities for each client.

In the FX (Foreign Exchange) business, a financial service for individuals, the spotlight is on high-quality products, true value and complete transparency. FGI aims to reinforce FXO's reputation as a provider of services that elicit satisfaction and peace of mind.

(2) Indicators of Business Performance

Primarily because of the changing business content of Group activities and new accounting treatment standards, management decided to make return on equity (ROE) and the debt-to-equity ratio key indicators of business performance for the Group, effective from fiscal 2008.

The medium- to long-term target for ROE is 15%, which will be achieved through a continued emphasis on high-revenue-generating arrangement fees to boost profitability, and through enhanced investment and loan turnover.

The debt-to-equity ratio will replace the shareholders' equity ratio used previously as an indicator of stability. The goal will be to maintain a level appropriately matched to changes in the scope of business and evolving risk amounts.

(3) Medium- to Long-term Management Strategies

a) Main Products

The Company's main products are securitized real estate transactions, particularly securitized property development transactions, and arrangements for bridging loans, which carry projects through pre-development stages. However, access to funds for real estate applications, especially from foreign-owned financial institutions, narrowed suddenly when the financial fire kindled by the subprime mortgage crisis adjustment phase after several boom years. Given these factors, FGI was forced to in the United States spread to financial markets worldwide.

Compounding matters, the real estate market itself appears to have entered an apply tougher screening standards and a more selective approach to the projects for which it agrees to arrange financing.

Meanwhile, in-house research indicates that external fund suppliers with sizable capacity--reinforced with oil money and pension funds in developed countries--are eyeing Japanese real estate, which is considered a comparatively inexpensive investment. In addition, office vacancy rates in city centers are low overall. Both situations confirm demand is still firm despite the outward signs of gloom in the real estate market.

It is therefore difficult to imagine that the adjustment phase will be a protracted one, and as real estate prices stabilize, the need for development-type securitization will resurface.

The development-type securitization arranged by FGI grants access to a rich source of future transactions, such as brokerage and sales, and thereby enables the Company to capitalize on all possible profit opportunities in addition to the initial arrangement services.

Against this operating backdrop, FGI will strive to improve its arrangement processing capacity by hiring more employees and upgrading their skills through education and training programs. Efforts will also be directed toward aggressively cultivating business opportunities that lead to real estate related arrangements, a forte field. Careful selection of projects for which arrangements are packaged will ensure suitable risk-return.

The Company will also shift its business focus from financing for large-scale projects to more reliable small and medium-sized projects and strive to broaden its client base.

b) Developing New Products

The popularity of securitized real estate transactions, a mainstay product for FGI, has paved a solid business foundation for the Company. To build on this and ensure management and fiscal performance stability, FGI will aggressively apply management resources, mainly personnel assets and financial capacity, to the development of new products and, more specifically, products that hit a chord with the market.

In this effort, the Company will prioritize credit enhancement services, an area of specialization that integrates aspects of financing and insurance, design structured financing that secure profits even during the price adjustment phase that characterizes the real estate market today, and allocate management resources to the development of structured financing suitable to applications outside of real estate.

c) Principal Finance

With improved financial capabilities, FGI has capitalized on opportunities to execute principal finance, thereby boosting its investment and loan balance. Given its inability to close the large-scale project finance transaction in fiscal 2007 because of the credit crunch triggered by the subprime mortgage crisis, the Company will emphasize efforts to complement funds from existing lenders with direct contributions from investors at home and abroad, and shift securitization of principal loans off the balance sheet through sales and arbitrage, thereby squeezing total assets--that is, preventing a decline in return on assets (ROA) and stemming a rise in liabilities--while securing profits through arbitrage transactions.

d) Reinsurance/Financial Guarantee Business

The Group offers direct credit enhancement and guarantee services through Switzerland-based guarantee provider Stellar Capital and Japan-based rent guarantee provider Entrust, both subsidiaries of the Company, and reinsurance underwriting services on quality insurance risks, such as domestic policies covering household effects, through Bermuda-based reinsurer Crane Reinsurance. FGI will encourage stronger ties between these companies and external guarantee and insurance companies to diversify profit opportunities in this business segment.

(4) Issues Requiring Attention

a) Diversification of Fund Contributions and Securitization of Principal Finance Credits

Securing stable lenders is imperative to arrangement operations, and in light of the fact that the credit crunch triggered by the subprime mortgage crisis hampered FGI's ability to close certain large-scale project finance transaction planned for fiscal 2007, the Company will seek to create a system that facilitates fund procurement directly from mezzanine- and equity-oriented investors at home and abroad to complement funds from existing lenders, namely financial institutions

The securitization of principal finance credits was postponed, but the structure that would allow the booking of results is now in use. The tasks in fiscal 2008 are to further reinforce this structure and aggressively promote securitized principal finance credits to make the Group's investment banking business more efficient and boosting ROA and ROE.

b) Developing New Products

Securitized real estate transactions will remain a mainstay product for the Group, but the Company will apply management resources, namely personnel assets and financial capacity, to actively pursue research and development and accelerate the introduction of new products. The spotlight will be on credit enhancement services, an area of specialization in that integrates aspects of finance and insurance.

c) Securing Skilled Personnel and Enhancing Their Talents

To address diversifying needs for structured finance, the Company will emphasize measures to enhance the talents of star employees through on-the-job training and cultivate the capabilities of mid-level employees, who form the backbone of operations. The Company will also maintain in-house structures fully consistent with the internal controls reporting system described in the Financial Instruments and Exchange Law. This system goes into effect from fiscal 2009.

d) Group Companies

FGI will continue to encourage improvements in Group management, reassess business plans and strive to effectively utilize groupwide management resources. Where necessary, a scrap-and-build perspective will prevail.

e) Risk Management

From fiscal 2008, FGI has implemented risk management based on a quantification of risk and return and seeks to boost its ability to respond to changes in financial and real estate markets.

No one would say the financial climate is rosy and adjustments still characterize the real estate market. Given these factors, the

Company will take to a higher level the screening standards it uses to pinpoint suitable projects for structured financing. In addition, risks controlled independently by each operating division will be viewed from an overall perspective to achieve management stability and an even fiscal performance.

As part of this effort, FGI carried out an organizational restructuring, effective April 1, 2008, that included the creation a credit officer, a full-time position assigned to the general manager of the Credit Department.

Interim Consolidated Financial Statements

FinTech Global Incorporated and Consolidated Subsidiaries

As of and for the six months ended March 31, 2008

I Interim Consolidated Balance Sheets

(Unit: Thousand of yen, %)

Item	Notes No.	Interim Fiscal 2007 (As of March 31, 2007) Amount		Percentage change (%)	Interim Fiscal 2008 (As of March 31, 2008) Amount		Percentage change (%)	Fiscal Year 2007 (As of September 30, 2007) Amount		Percentage change (%)
(Assets)										
I Current assets										
1 Cash and time deposits	*1		23,501,789			12,142,758			15,263,735	
2 Deposits	*8		9,504,103			8,425,306			10,214,673	
3 Accounts receivable, trade			31,907			5,466			5,962	
4 Investments in securities, trade			658,451			5,156,587			4,571,706	
5 Inventory	*1.6		4,410,512			39,695,936			5,864,266	
6 Loans receivable, trade	*1.4		31,068,189			25,918,900			40,454,941	
7 Other current assets			5,292,900			9,818,479			6,025,010	
8 Allowance for doubtful accounts			(92,560)			(1,459,508)			(151,409)	
Total current assets			74,375,293	90.2		99,703,927	93.3		82,248,886	90.6
II Fixed assets										
1 Property, plant and equipment	*2									
(1) Buildings		135,572			140,448			115,061		
(2) Furniture and equipment		101,268	236,840	0.3	162,459	302,907	0.3	152,763	267,825	0.3
2 Intangible fixed assets										
(1) Goodwill		7,340,950			5,872,491			6,607,272		
(2) Other intangible fixed assets		38,543	7,379,494	8.9	66,212	5,938,704	5.5	59,454	6,666,727	7.4
3 Investments and other assets			508,684	0.6		961,428	0.9		1,557,035	1.7
Total fixed assets			8,125,019	9.8		7,203,040	6.7		8,491,587	9.4
Total assets			82,500,313	100.0		106,906,968	100.0		90,740,474	100.0

(Unit: Thousand of yen, %)

Item	Notes No.	Interim Fiscal 2007 (As of March 31, 2007) Amount	Percentage change (%)	Interim Fiscal 2008 (As of March 31, 2008) Amount	Percentage change (%)	Fiscal Year 2007 (As of September 30, 2007) Amount	Percentage change (%)
(Liabilities)							
I Current liabilities							
1 Accounts payable, trade		44,200		14,680		68,804	
2 Short-term debt	*1.6	6,176,900		32,489,000		14,351,700	
3 Long-term debt due within one year	*1	2,068,856		6,989,960		7,272,056	
4 Income taxes payable		1,901,700		2,343,927		1,237,985	
5 Deposits from customers	*9	9,330,653		8,064,980		9,992,733	
6 Accrued employee bonuses		85,789		213,692		266,295	
7 Accrued bonuses for directors and corporate auditors		9,525		1,500		-	
8 Other current liabilities		1,811,219		5,071,335		2,161,179	
Total current liabilities		21,428,843	26.0	55,189,076	51.6	35,350,755	38.9
II Long-term liabilities							
1 Bonds with stock acquisition rights		22,170,000		22,170,000		22,170,000	
2 Long-term debt	*1.6	11,303,916		1,261,949		4,532,140	
3 Accrued retirement benefits		10,565		28,507		20,331	
4 Other long-term liabilities		746,055		1,104,677		1,476,149	
Total long-term liabilities		34,230,536	41.5	24,565,134	23.0	28,198,620	31.1
Total liabilities		55,659,380	67.5	79,754,210	74.6	63,549,376	70.0
(Net assets)							
I Shareholders' equity							
1 Common stock		10,680,608	12.9	10,764,217	10.1	10,736,448	11.8
2 Additional paid-in capital		10,351,900	12.5	10,351,900	9.7	10,351,900	11.4
3 Retained earnings		4,049,820	4.9	2,622,054	2.4	3,939,480	4.3
Total shareholders' equity		25,082,328	30.4	23,738,172	22.2	25,027,828	27.6
II Valuation and translation adjustments							
1 Net unrealized gain / (loss) on other securities		7,710	0.0	(6,250)	(0.0)	(17,163)	(0.0)
2 Translation adjustments		-	-	(63,220)	(0.1)	-	-
Total valuation and translation adjustments		7,710	0.0	(69,471)	(0.1)	(17,163)	(0.0)
Ⅲ Stock acquisition rights		-	-	11,556	0.0	4,974	0.0
Ⅳ Minority interests		1,750,893	2.1	3,472,499	3.3	2,175,458	2.4
Total net assets		26,840,932	32.5	27,152,757	25.4	27,191,098	30.0
Total liabilities and net assets		82,500,313	100.0	106,906,968	100.0	90,740,474	100.0

II Interim Consolidated Statements of Income

(Unit: Thousand of yen, %)

Item	Notes No.	Interim Fiscal 2007 (As of March 31, 2007) Amount		Percentage change (%)	Interim Fiscal 2008 (As of March 31, 2008) Amount		Percentage change (%)	Fiscal Year 2007 (As of September 30, 2007) Amount		Percentage change (%)
I Revenue										
1 Investment banking business	*1	4,467,445			3,231,912			6,985,131		
2 Reinsurance / financial guarantee business	*2	815,040			203,924			1,720,098		
3 FX(Foreign Exchange) business		-			3,847,979			3,139,104		
4 Real estate related business	*5	869,188	6,151,674	100.0	1,678,025	8,961,842	100.0	5,069,812	16,914,147	100.0
II Cost of revenue	*5		1,856,676	30.2		1,659,474	18.5		5,481,682	32.4
Gross profit	*5		4,294,997	69.8		7,302,367	81.5		11,432,464	67.6
III Selling, general and administrative expenses	*3		1,679,644	27.3		4,989,378	55.7		5,145,487	30.4
Operating income	*5		2,615,352	42.5		2,312,989	25.8		6,286,977	37.2
IV Other income										
1 Interest income		40,937			63,246			104,731		
2 Gain on sales of investment in securities		159,331			-			159,331		
3 Profits from money trusts		67,419			-			28,548		
4 Others		3,524	271,214	4.4	39,768	103,015	1.2	15,905	308,516	1.8
V Other expenses										
1 Interest expense		134,863			164,298			257,185		
2 Unrealized loss on trading securities		-			344,996			-		
3 Stock distribution costs		3,120			751			3,708		
4 Bond issuance costs		52,329			-			52,449		
5 Loss on redemption of bonds with stock acquisition rights		200,000			-			200,000		
6 Loss from effect of exchange rate		-			130,651			23,193		
7 Others		64,043	454,356	7.4	139,244	779,942	8.7	107,285	643,822	3.8
Ordinary profit	*5		2,432,210	39.5		1,636,062	18.3		5,951,671	35.2
VI Extraordinary profit										
1 Equity fluctuation income		11,720	11,720	0.2	-	-	-	11,720	11,720	0.1
VII Extraordinary loss										
1 Loss on sales of investment in securities		-			68,649			-		
2 Unrealized loss on investments in securities		-			62,824			-		
3 Loss due to impairment	*4	66,817			-			66,817		
4 Head office relocation expenses		39,770			-			-		
5 Rewarding and condolence money	*6	-			39,850			-		
6 Others		-	106,588	1.7	16,404	187,728	2.1	79,365	146,183	0.9
Income before taxes prior to distribution of gains (loss) in silent partnerships			2,337,342	38.0		1,448,333	16.2		5,817,208	34.4
Distribution of gains (loss) in silent partnerships			-			(64,893)			-	
Income before income taxes	*5		2,337,342	38.0		1,383,439	15.4		5,817,208	34.4
Income taxes		1,093,978			1,990,917			2,379,024		
Income tax adjustment		86,479	1,180,458	19.2	(947,474)	1,043,443	11.6	158,086	2,537,111	15.0
Minority interests	*5		65,759	1.1		(755,501)	(8.4)		(1,512,311)	(8.9)
Net income/(loss)	*5		1,222,643	19.9		(415,505)	(4.6)		1,767,784	10.5

III Interim Consolidated Statements of Change in Net Assets

Interim Fiscal 2007 (From October 1, 2006 to March 31, 2007)

(Thousands of yen)

	Shareholders' equity			
	Common Stock	Additional paid-in capital	Retained earnings	Total shareholders' equity
Balance as of September 30, 2006	10,624,769	10,351,900	3,882,974	24,859,644
Changes during the period				
Issuance of common stock	55,838	-	-	55,838
Dividends	-	-	(1,183,110)	(1,183,110)
Net income	-	-	1,222,643	1,222,643
Increase due to decrease in number of consolidated subsidiaries	-	-	127,312	127,312
Net changes of items other than shareholders' equity	-	-	-	-
Total changes during the period	55,838	-	166,846	222,684
Balance as of March 31, 2007	10,680,608	10,351,900	4,049,820	25,082,328

	Valuation and translation adjustments		Minority interests	Total net assets
	Net unrealized gain/(loss) on other securities	Total valuation and translation adjustments		
Balance as of September 30, 2006	28,321	28,321	69,963	24,957,929
Changes during the period				
Issuance of common stock	-	-	-	55,838
Dividends	-	-	-	(1,183,110)
Net income	-	-	-	1,222,643
Increase due to decrease in number of consolidated subsidiaries	-	-	-	127,312
Net changes of items other than shareholders' equity	(20,611)	(20,611)	1,680,930	1,660,319
Total changes during the period	(20,611)	(20,611)	1,680,930	1,883,003
Balance as of March 31, 2007	7,710	7,710	1,750,893	26,840,932

Interim Fiscal 2008 (From October 1, 2007 to March 31, 2008)

(Thousands of yen)

	Shareholders' equity			
	Common Stock	Additional paid-in capital	Retained earnings	Total shareholders' equity
Balance as of September 30, 2007	10,736,448	10,351,900	3,939,480	25,027,828
Changes during the period				
Issuance of common stock	27,769	-	-	27,769
Dividends	-	-	(901,920)	(901,920)
Net income	-	-	(415,505)	(415,505)
Net changes of items other than shareholders' equity	-	-	-	-
Total changes during the period	27,769	-	(1,317,425)	(1,289,655)
Balance as of March 31, 2008	10,764,217	10,351,900	2,622,054	23,738,172

	Valuation and translation adjustments			Stock acquisition rights	Minority interests	Total net assets
	Net unrealized gain/(loss) on other securities	Translation adjustments	Total valuation and translation adjustments			
Balance as of September 30, 2007	(17,163)	-	(17,163)	4,974	2,175,458	27,191,098
Changes during the period						
Issuance of common stock	-	-	-	-	-	27,769
Dividends	-	-	-	-	-	(901,920)
Net Income	-	-	-	-	-	(415,505)
Net changes of items other than shareholders' equity	10,913	(63,220)	(52,307)	6,581	1,297,041	1,251,314
Total changes during the period	10,913	(63,220)	(52,307)	6,581	1,297,041	(38,340)
Balance as of March 31, 2008	(6,250)	(63,220)	(69,471)	11,556	3,472,499	27,152,757

Fiscal Year 2007 (From October 1, 2006 to September 30, 2007) (Thousands of yen)

	Shareholders' equity			
	Common Stock	Additional paid-in capital	Retained earnings	Total shareholders' equity
Balance as of September 30, 2006	10,624,769	10,351,900	3,882,974	24,859,644
Changes during the period				
Issuance of common stock	111,678	-	-	111,678
Dividends	-	-	(1,838,591)	(1,838,591)
Net income	-	-	1,767,784	1,767,784
Increase due to decrease in number of consolidated subsidiaries	-	-	127,312	127,312
Net changes of items other than shareholders' equity	-	-	-	-
Total changes during the period	111,678	-	56,505	168,183
Balance as of September 30, 2007	10,736,448	10,351,900	3,939,480	25,027,828

	Valuation and translation adjustments		Stock acquisition rights	Minority interests	Total net assets
	Net unrealized gain/(loss) on other securities	Total valuation and translation adjustments			
Balance as of September 30, 2006	28,321	28,321	-	69,963	24,957,929
Changes during the period					
Issuance of common stock	-	-	-	-	111,678
Dividends	-	-	-	-	(1,838,591)
Net income	-	-	-	-	1,767,784
Increase due to decrease in number of consolidated subsidiaries	-	-	-	-	127,312
Net changes of items other than shareholders' equity	(45,485)	(45,485)	4,974	2,105,494	2,064,984
Total changes during the period	(45,485)	(45,485)	4,974	2,105,494	2,233,168
Balance as of September 30, 2007	(17,163)	(17,163)	4,974	2,175,458	27,191,098

IV Interim Consolidated Statements of Cash Flows

(Unit:Thousand of yen)

Item	Notes No	Interim Fiscal 2007 (From October 1 to March 31, 2007) Amount	Interim Fiscal 2008 (From October 1 to March 31, 2008) Amount	Fiscal Year 2007 (From October 1 to September 30,2007) Amount
Ⅰ Cash flows from operating activities				
Income before income taxes	*2	2,337,342	1,383,439	5,817,208
Depreciation and amortization		16,942	42,040	54,764
Increase/(decrease) in accrued employee bonuses		(7,309)	(52,603)	173,196
Increase in accrued retirement benefits		6,230	8,175	15,996
Increase in allowance for doubtful accounts		-	1,308,099	63,189
Amortization of guarantee charges		66	2,172	66
Interest income		(40,937)	(63,258)	(104,731)
Cost of funds and Interest expenses		276,920	290,966	611,536
Stock distribution costs		3,120	751	3,708
Increase/(decrease) in deposits		-	1,789,367	(710,569)
Bond issuance costs		111,699	-	111,819
(Increase)/decrease in trade receivable		(18,382)	495	7,562
(Increase) in investments in securities, trade		(218,938)	(584,881)	(4,132,193)
(Increase) in inventory		(4,617,941)	(5,883,913)	(6,071,695)
(Increase)/decrease in loans receivable, trade		7,518,400	15,876,041	(1,868,352)
Increase/(decrease) in accounts payable, trade		(6,919)	(54,123)	17,684
Increase/(decrease) in accrued liabilities		185,845	(19,127)	218,517
Increase/(decrease) in accrued expenses		(25,843)	42,354	32,351
Increase/(decrease) in deposits from customers		-	(1,927,753)	662,080
Others		(429,085)	377,166	(196,446)
Sub-total		5,091,209	12,535,408	(5,294,306)
Interest income received		45,335	63,258	115,147
Interest expense paid		(261,182)	(275,921)	(637,706)
Income taxes paid		(2,180,431)	(882,078)	(4,184,092)
Net cash provided by operating activities		2,694,931	11,440,666	(10,000,957)
Ⅱ Cash flows from investing activities				
Payment for increase in time deposits		-	-	(100,000)
Purchase of property, plant and equipment		(184,132)	(66,697)	(293,346)
Additional investments in securities		(669,957)	(456,655)	(1,734,957)
Proceeds from sales of investments in securities		2,876,289	900,350	2,901,162
Payment for acquiring investment in capital		(5,000)	(31,000)	(5,000)
Payment of guarantee deposits		(145,453)	(7,080)	(182,485)
Refund of guarantee deposits		104,931	12,785	102,283
Cash paid for purchase of newly consolidated subsidiaries		(7,452,020)	(11,988,435)	(7,452,020)
Others		(871,317)	80,391	(386,229)
Net cash used in investing activities		(6,346,661)	(11,556,340)	(7,150,593)
Ⅲ Cash flows from financing activities				
Increase/(decrease) in short-term debt		(53,600)	1,637,300	8,121,200
Proceeds from long-term debt		12,460,352	1,000,000	13,938,000
Repayment of long-term debt		(4,571,453)	(5,257,610)	(7,577,581)
Proceeds from issuance of bonds		22,058,300	-	22,058,180
Redemption of bonds		(20,200,000)	-	(20,200,000)
Proceeds from issuance of stocks		52,717	27,018	107,970
Dividends paid		(1,174,973)	(895,255)	(1,829,183)
Proceeds from issuance of stocks to minority shareholders		377,537	567,649	424,115
Others		(10,650)	62,058	(24,158)
Net cash provided by /(used in) financing activities		8,938,231	(2,858,839)	15,018,543
Ⅳ Effect of exchange rate changes on cash and cash equivalents		(23,931)	(84,827)	(44,189)
Ⅴ Net increase/(decrease) in cash and cash equivalents		5,262,570	(3,059,341)	(2,177,196)
Ⅵ Cash and cash equivalents at beginning of period		18,718,675	15,163,735	18,718,675
Ⅶ Cash and cash equivalents of newly consolidated subsidiaries		3,000	39,510	3,000
Ⅷ Decrease in cash and cash equivalents due to deconsolidation of subsidiaries	*2	(482,457)	(1,145)	(1,380,743)
Ⅸ Cash and cash equivalents at end of period	*1	23,501,789	12,142,758	15,163,735

Significant Policies in Preparation of Interim Consolidated Financial Statements

Item	Interim Fiscal 2007 (From October 1, 2006 to March 31, 2007)	Interim Fiscal 2008 (From October 1, 2007 to March 31, 2008)	Fiscal Year 2007 (From October 1, 2006 to September 30, 2007)
1. Scope of Consolidation	(1) Number of consolidated subsidiaries:23 Names of major consolidated subsidiaries: • FinTech Capital Risk Solutions Incorporated • FinTech Global Securities, Inc. • FinTech Real Estate, Inc. • Stellar Capital AG • Crane Reinsurance Limited • Entrust, Inc. • ASAP Payment System Inc. • FGI Principal Co., Ltd. • FX Online Japan Co., Ltd. • FinTech Global Asset Management, Inc. FinTech Global Asset Management, Inc. was consolidated upon incorporation. FGI Medical Finance Co., Ltd. and FX Online Japan Co., Ltd. have become consolidated subsidiaries due to acquisition of the voting rights. Godo Kaisha Tempu Moderate Udagawa-cho Kaihatsu and FGI Investment Three Incorporated, Yugen Kaisya Hibiki and four Silent Partnerships (Tokumei Kumiai) have also been consolidated due to the fact that FinTech Global Incorporated (hereinafter referred to as "the Company") substantially assumes the majority of rights and duties as well as the risks associated with profits and losses of those companies. Furthermore, FGI Principal Co., Ltd. has been consolidated because it was material to medium- and long-term business strategies. TSM Fifteen Incorporated has been excluded from the scope of consolidation due to the fact that the Company does not assume the majority of rights and duties nor the risks associated with profits and losses of the company.	(1) Number of consolidated subsidiaries: 21 Names of major consolidated subsidiaries: • FinTech Global Securities, Inc. • FinTech Real Estate, Inc. • Stellar Capital AG • Crane Reinsurance Limited • Entrust, Inc. • FX Online Japan Co., Ltd. • Reliable Factors Co., Ltd. • Yugen Kaisha NJ Steel Beta • Godo Kaisha TSM Sixty Four Alfa • Godo Kaisha TSM Sixty Four Beta • SP&W Asklepius Investment Partnership No. 4 • FINTECH GIMV FUND, L. P. (FGF) Five Silent Partnerships (Tokumei Kumiai) were counted as consolidated subsidiaries separately from those operators in the fiscal 2007. However, operator and Silent Partnership are considered as a unit and counted as one consolidated subsidiary in the fiscal 2008. The change is to understand the frame of consolidated group appropriately by recognizing a consolidated subsidiary for every incorporation. As a result, the number of consolidated subsidiaries decreased by seven compared to what would have been reported under the previous method. There is no impact on financial conditions and operating results due to no financial data changed on the consolidated subsidiaries. Yugen Kaisha NJ Steel Beta, Godo Kaisha TSM Sixty Four Alfa, Godo Kaisha TSM Sixty Four Beta, SP&W Asclepius Investment Partnership No. 4 and FINTECH GIMV FUND, L.P.(FGF) have been consolidated due to the fact that FinTech Global	(1) Number of consolidated subsidiaries: 23 Names of major consolidated subsidiaries: • FinTech Global Securities, Inc. • FinTech Real Estate, Inc. • Stellar Capital AG • Crane Reinsurance Limited • Entrust, Inc. • FX Online Japan Co., Ltd. FinTech Global Asset Management Inc. and Reliable Factors Co., Ltd. were consolidated upon incorporation. FGI Medical Finance Co., Ltd. and FX Online Japan Co., Ltd. have become consolidated subsidiaries due to acquisition of the voting rights FGI Investment Three Incorporated, Yugen Kaisya Hibiki, Godo Kaisha Toranomon 1-chome Kaihatsu and three Silent Partnerships (Tokumei Kumiai) have also been consolidated due to the fact that FinTech Global Incorporated (hereinafter referred to as "the Company") substantially assumes the majority of rights and duties as well as the risks associated with profits and losses of those companies. Furthermore, FGI Principal Co., Ltd. and FinTech Principal Investment Incorporated (formerly known as FGI Principal Two Incorporated) have been consolidated because they were material to medium- and long-term business strategies. TSM Fifteen Incorporated has been excluded from the scope of consolidation due to the fact that the Company does not assume the majority of rights and duties nor the risks associated with profits and

Item	Interim Fiscal 2007 (From October 1, 2006 to March 31, 2007)	Interim Fiscal 2008 (From October 1, 2007 to March 31, 2008)	Fiscal Year 2007 (From October 1, 2006 to September 30, 2007)
	TSM Thirty incorporated had become consolidated subsidiaries and later excluded from consolidation during the interim fiscal 2007 depending upon whether the Company substantially assumes the majority of rights and duties as well as the risks associated with profits and losses of those companies. Profits or losses during the period which those companies had been consolidated are included in the interim consolidated financial statements.	Incorporated (hereinafter referred to as "the Company") substantially assumes the majority of rights and duties as well as the risks associated with profits and losses of those companies. RF Funding One Co., Ltd. has been consolidated from the interim fiscal 2008 since it has become a material subsidiary. FGI Investment Two Incorporated, TSM Fifteen Incorporated and Godo Kaisha Toranomon 1-chome Kaihatsu have been excluded from the scope of consolidation due to the fact that the Company does not assume the majority of rights and duties nor the risks associated with profits and losses of the company.	losses of the company. In addition, ASAP Payment System Inc. has been excluded from the scope of consolidation due to the sales of all of the shares. TSM Thirty incorporated, Godo Kaisha Tempu Moderate Udagawa-cho Kaihatsu and one Silent Partnership (Tokumei Kumiai) had become consolidated subsidiaries and later excluded from consolidation during the fiscal year 2007 depending upon whether the Company substantially assumes the majority of rights and duties as well as the risks associated with profits and losses of those companies. Profits or losses during the period which those companies had been consolidated are included in the consolidated financial statements.
1. Scope of Consolidation	(2) Names of major unconsolidated subsidiaries ● RF Funding One Co., Ltd. ● One Silent Partnership (Tokumei Kumiai) ● FinTech Global Capital, LLC (Reasons for excluding from the scope of consolidation) The unconsolidated subsidiaries are small, and their total assets, revenue, net income and losses (amount proportionate to equity share), and retained earnings (amount proportionate to equity share) have no material impact on the interim consolidated financial statements.	(2) Names of major unconsolidated subsidiaries: ● FinTech Global Capital, LLC (Reasons for excluding from the scope of consolidation) The unconsolidated subsidiaries are small, and their total assets, revenue, net income and losses (amount proportionate to equity share), and retained earnings (amount proportionate to equity share) have no material impact on the interim consolidated financial statements.	(2) Names of major unconsolidated subsidiaries: ● RF Funding One Co., Ltd. ● One Silent Partnership (Tokumei Kumiai) ● FinTech Global Capital, LLC (Reasons for excluding from the scope of consolidation) The unconsolidated subsidiaries are small, and their total assets, revenue, net income and losses (amount proportionate to equity share), and retained earnings (amount proportionate to equity share) have no material impact on the consolidated financial statements.
2. Application of the Equity method	(1) Number of unconsolidated subsidiaries and affiliates accounted for by the equity method: 6 Names of those companies: ● RF Funding One Co., Ltd.	(1) Number of affiliates accounted for by the equity method: 2 Names of those companies: ● TSM Fifteen Incorporated ● TSM Seventeen Incorporated	(1) Number of unconsolidated subsidiaries and affiliates accounted for by the equity method: 6 Names of those companies: ● RF Funding One Co., Ltd.

Item	**Interim Fiscal 2007** (From October 1, 2006 to March 31, 2007)	**Interim Fiscal 2008** (From October 1, 2007 to March 31, 2008)	**Fiscal Year 2007** (From October 1, 2006 to September 30, 2007)
	• TSM Fifteen Incorporated • TSM Seventeen Incorporated • Three Silent Partnerships (Tokumei Kumiai) TSM Fifteen Incorporated, TSM Seventeen Incorporated, and two Silent Partnerships (Tokumei Kumiai) have been accounted for by the equity method due to the fact that the Company substantially assumes the certain part of rights and duties as well as the risks associated with the profits and losses of those companies. (2) Names of unconsolidated subsidiaries and affiliates which are not accounted for by the equity method: • FinTech Global Capital, LLC (Reasons for not applying the equity method) The equity method of accounting has not been applied to those companies because they have immaterial impact on net income or losses (amount proportionate to equity share), and retained earnings (amount proportionate to equity share) of the consolidated financial statements.	TSM Fifteen Incorporated and TSM Seventeen Incorporated have been accounted for by the equity method due to the fact that the Company substantially assumes the certain part of rights and duties as well as the risks associated with the profits and losses of those companies. (2) Names of unconsolidated subsidiaries and affiliates which are not accounted for by the equity method: Same as at left (Reasons for not applying the equity method) Same as at left	• TSM Fifteen Incorporated • TSM Seventeen Incorporated • Three Silent Partnerships (Tokumei Kumiai) TSM Fifteen Incorporated, TSM Seventeen Incorporated, and two Silent Partnerships (Tokumei Kumiai) have been accounted for by the equity method due to the fact that the Company substantially assumes the certain part of rights and duties as well as the risks associated with the profits and losses of those companies. (2) Names of major unconsolidated subsidiaries and affiliates which are not accounted for by the equity method: Same as at left (Reasons for not applying the equity method) The equity method of accounting has not been applied to those companies because they have immaterial impact on net income or losses (amount proportionate to equity share), and retained earnings (amount proportionate to equity share) of the consolidated financial statements.

Item	Interim Fiscal 2007 (From October 1, 2006 to March 31, 2007)	Interim Fiscal 2008 (From October 1, 2007 to March 31, 2008)	Fiscal Year 2007 (From October 1, 2006 to September 30, 2007)
3. Fiscal Year Ends of Consolidated Subsidiaries	Interim fiscal year ends of consolidated subsidiaries: End of January 1 End of March: 9 End of May: 2 End of June: 1 End of July 2 End of September: 4 End of December: 4 Subsidiaries with interim fiscal year ends at May 31, June 30, July 31, and September 30 are consolidated based on preliminary results detremined as of the interim consolidated balance sheet date. Subsidiaries with interim fiscal year ends at December 31 and January 31 are consolidated based on the financial statements for their respective interim fiscal year ends. Significant transactions occurring during the intervening periods are reflected in the interim consolidated financial statements.	Interim fiscal year ends of consolidated subsidiaries: End of February 1 End of March: 10 End of May: 1 End of June: 2 End of July 1 End of September: 3 End of December: 3 Subsidiaries with interim fiscal year ends at May 31, June 30, July 31, and September 30 are consolidated based on preliminary results detremined as of the interim consolidated balance sheet date. Subsidiaries with interim fiscal year ends at December 31 and February 29 are consolidated based on the financial statements for their respective interim fiscal year ends. Significant transactions occurring during the intervening periods are reflected in the interim consolidated financial statements.	Fiscal year ends of consolidated subsidiaries: End of January: 2 End of March: 4 End of May: 1 End of June: 4 End of July: 1 End of September: 10 End of December: 1 Subsidiaries with fiscal year ends at January 31, March 31, May 31, and December 31 are consolidated based on preliminary results detremined as of the consolidated balance sheet date. Subsidiaries with the fiscal year ends at June 30 and July 31 are consolidated based on the financial statements for their respective fiscal year ends. Significant transactions occurring during the intervening periods are reflected in the consolidated financial statements.
4. Summary of Significant Accounting Policies (1) Bases and methods of valuation of important assets	(i) Trading securities ———— Other securities with fair market value: Other securities with fair market value are stated at fair value. Unrealized holding gains and losses, net of the related tax effect, are recorded as an accumulated comprehensive income until realized. The costs are determined by the moving-average method.	(i) Trading securities Trading securities are stated at fair market value. The costs are determined by the moving-average method. Other securities with fair market value: Same as at left	(i) Trading securities ———— Other securities with fair market value: Other securities with fair market value are stated at fair value. Unrealized holding gains and losses, net of the related tax effect, are recorded as an accumulated comprehensive income until realized. The costs are determined by the moving-average method.

Item	**Interim Fiscal 2007** (From October 1, 2006 to March 31, 2007)	**Interim Fiscal 2008** (From October 1, 2007 to March 31, 2008)	**Fiscal Year 2007** (From October 1, 2006 to September 30, 2007)
	Other securities with no fair market value: Other securities with no fair market value are stated at cost. The cost is determined by the moving-average method. However, investments in Silent Partnership (Tokumei Kumiai) are determined by the specific-identification method. Details are shown in "(7) Other significant policies to prepare consolidated financial statements (ii) Investments in securities, trade [Investments in Silent Partnership (Tokumei Kumiai)]. (ii) Derivatives All derivatives are stated at fair value with changes in fair value being charged to net income or loss for the period in which they arise except for derivatives that are designated and qualified as hedging instruments.	Other securities with no fair market value: Other securities with no fair market value are stated at cost. The cost is determined by the moving-average method. However, investments in Silent Partnership (Tokumei Kumiai) are determined by the specific-identification method. Details are shown in "(7) Other significant policies to prepare consolidated financial statements (ii) Investments in Silent Partnership (Tokumei Kumiai) included in investments in securities, trade. (ii) Derivatives Same as at left	Other securities with no fair market value: Other securities with no fair market value are stated at cost. The cost is determined by the moving-average method. However, investments in Silent Partnership (Tokumei Kumiai) are determined by the specific-identification method. Details are shown in "(7) Other significant policies to prepare consolidated financial statements (ii) Investments in Silent Partnership (Tokumei Kumiai) included in investments in securities, trade. (ii) Derivatives Same as at left
(1) Bases and methods of valuation of important assets	(iii) Inventory Work in process: Stated at cost determined by the specific-identification method. Real estate for sale: Stated at cost determined by the specific identification method.	(iii) Inventory Cost on uncompleted contracts: Stated at cost determined by the specific-identification method. Real estate for sale: Stated at cost determined by the specific identification method. (Additional information) Interest expenses paid for the long-term and significant real estate development are included in the acquisition costs of real estate held for sale.	(iii) Inventory Work in process: ―――― Real estate for sale: Stated at cost determined by the specific identification method.

Item	Interim Fiscal 2007 (From October 1, 2006 to March 31, 2007)	Interim Fiscal 2008 (From October 1, 2007 to March 31, 2008)	Fiscal Year 2007 (From October 1, 2006 to September 30, 2007)
(2) Depreciation of important assets	(i) Property, plant and equipment Depreciation is computed using the declining balance method. Useful lives for major assets are as follows: • Buildings: 6-18 years • Furniture and equipment: 3-20 years	(i) Property, plant and equipment Same as at left	(i) Property, plant and equipment Same as at left (Change in accounting policy) Depreciation method used for the tangible assets acquired on and after April 1, 2007 have been changed based on an amendment in the corporation tax law. This change does not result in material impact on income or losses for the fiscal 2007.
(3) Important Deferred Assets	(i) Stock distribution costs Recorded as expenses when incurred (ii) Bond issuance costs Recorded as expenses when incurred	(i) Stock distribution costs Same as at left (ii) Bond issuance costs ————	(i) Stock distribution costs Same as at left (ii) Bond issuance costs Recorded as expenses when incurred
(4) Important allowances	(i) Allowance for doubtful accounts The Company provides allowances for doubtful accounts by a method that compares on the rates of its own historical actual bad debt loss against the balance of total receivables as well as the amount of uncollectible receivables estimated on an individual basis. (ii) Accrued employee bonuses Accrued employee bonuses are provided for in the amount which is expected to be paid for employee bonuses. (iii) Provision for directors' bonuses Provision for directors' bonuses are provided for in the amount which is expected to be paid for directors' and corporate auditors' bonuses	(i) Allowance for doubtful accounts Same as at left (ii) Accrued employee bonuses Same as at left (iii) Provision for directors' bonuses Same as at left	(i) Allowance for doubtful accounts Same as at left (ii) Accrued employee bonuses Same as at left (iii) Provision for directors' bonuses ————

Item	Interim Fiscal 2007 (From October 1, 2006 to March 31, 2007)	Interim Fiscal 2008 (From October 1, 2007 to March 31, 2008)	Fiscal Year 2007 (From October 1, 2006 to September 30, 2007)
	(iv) Accrued retirement benefits Accrued retirement benefits are provided at the amount which would be required to be paid if all the eligible employees voluntarily retire at the interim consolidated balance sheet date. The simplified method is adopted since the number of employees covered by the retirement benefits plan is less than 300.	(iv) Accrued retirement benefits Same as at left	(iv) Accrued retirement benefits Accrued retirement benefits are provided at the amount which would be required to be paid if all the eligible employees voluntarily retire at the consolidated balance sheet date. The simplified method is adopted since the number of employees covered by the retirement benefits plan is less than 300.
(5) Important leases	Finance leases, except for those leases under which the ownership of the leased assets is considered to be transferred to the lessee, are accounted for in the same manner as operating leases.	Same as at left	Same as at left
(6) Important hedge accounting	(i) Methods of hedge accounting For interest rate swaps that meet the requirements for special treatment, special accounting treatment is adopted. (ii) Hedging vehicles and hedged items a) Hedging vehicles Interest rate swaps b) Hedged items Bank loans (iii) Hedging policy The Company has a policy to utilize the above hedging instruments in order to reduce their exposure to the risk of interest rate fluctuation. (iv) Methods of hedge efficiency assessment	(i) Methods of hedge accounting Same as at left (ii) Hedging vehicles and hedged items Same as at left (iii) Hedging policy Same as at left (iv) Methods of hedge efficiency	(i) Methods of hedge accounting Same as at left (ii) Hedging vehicles and hedged items Same as at left (iii) Hedging policy Same as at left (iv) Methods of hedge efficiency

Item	Interim Fiscal 2007 (From October 1, 2006 to March 31, 2007)	Interim Fiscal 2008 (From October 1, 2007 to March 31, 2008)	Fiscal Year 2007 (From October 1, 2006 to September 30, 2007)
	Efficiency assessment for interest rate swaps is omitted, as they meet the requirements for special treatment.	assessment Same as at left	assessment Same as at left
(7) Other significant policies to prepare interim consolidated financial statements (consolidated financial statements)	(i) Accounting for consumption tax and local consumption tax Consumption taxes are excluded from the revenue and expense accounts which are subject to such taxes. Suspense consumption tax paid and suspense consumption tax received during the period are balanced out and shown in “other current liabilities” in the interim consolidated balance sheets.	(i) Accounting for consumption tax and local consumption tax Same as at left	(i) Accounting for consumption tax and local consumption tax Same as at left
	(ii) Investments in securities, trade [Investments in Silent Partnership (Tokumei Kumiai)] Investments in securities, trade [investments in Silent Partnership (Tokumei Kumiai)], are stated at cost, adjusted for equity in earnings and losses of the partnership. The adjustments are recognized as “Revenue”.	(ii) Investments in Silent Partnership (Tokumei Kumiai) included in investments in securities, trade Investments in Silent Partnership (Tokumei Kumiai) included in investments in securities, trade are stated at cost, adjusted for equity in earnings and losses of the partnership. The adjustments are recognized as “Revenue”.	(ii) Investments in Silent Partnership (Tokumei Kumiai) included in investments in securities, trade Same as at left
	(iii) Methods for allocating financing expenses Financing expenses of the Company providing with the lending services are classified into financing expenses associated with operating revenues and other financing expenses. In allocating those expenses, the total assets are allocated between the assets for business transactions and other assets, and based on the balance of the allocated assets, the financing expenses for the operating assets are classified as the cost of revenue, and the financing expenses for other assets are classified as other expense.	(iii) Methods for allocating financing expenses Same as at left	(iii) Methods for allocating financing expenses Same as at left

Item	**Interim Fiscal 2007** (From October 1, 2006 to March 31, 2007)	**Interim Fiscal 2008** (From October 1, 2007 to March 31, 2008)	**Fiscal Year 2007** (From October 1, 2006 to September 30, 2007)
5. Amortization of Goodwill	Goodwill and negative goodwill are amotized by the straight-line method over 5 years except those with insigunificant balances.	Same as at left	Same as at left
6. Cash and Cash Equivalents	For the purpose of the interim consolidated statement of cash flows, the Company considers all highly liquid investments with an insignificant risk of changes in value and with original maturities of three months or less to be cash equivalents.	Same as at left	For the purpose of the consolidated statement of cash flows, the Company considers all highly liquid investments with an insignificant risk of changes in value and with original maturities of three months or less to be cash equivalents.

Changes in Important Items to Prepare Interim Consolidated Financial Statements

Interim Fiscal 2007 (From October 1, 2006 to March 31, 2007)	Interim Fiscal 2008 (From October 1, 2007 to March 31, 2008)	Fiscal Year 2007 (From October 1, 2006 to September 30, 2007)
(Financing expenses) Financing expenses on the loans associated with individual investments or financings had been classified as cost of revenue and financing expenses on the loans which could not be traced to individual fund requirement had been classified as other expenses. However, due to increasing the ratio of the financing expenses which could not be traced to individual fund requirement, the Company has decided to allocate financing expenses of the companies providing with the lending services to properly present cost of revenue and other expenses, since the interim fiscal 2007. In allocating those expenses, the total assets are categorized as operating assets and other assets. Based on the ratio of these two categories of assets, the financing expenses are classified as the cost of revenue and other expenses, respectively, on the interim consolidated statement of income. Along with the change, "bank loans, trade" is reclassified to "short-term debt" or "long-term debt" based on the term of payment. As a result of the change, the operating income have decreased by ¥122,008 thousand compared to what would have been reported under the previous presentation, but there is no impact on the ordinary profit in the interim consolidated statements of income. Current liabilities have decreased by ¥705,000 thousand, and long-term liabilities have increased by the same amount. In the interim consolidated statement of cash flows, cash flows from operating activities have dercreased by ¥1,315,675 thousand and cash flows from financing activities have increased by the same amount. Additionally, as for the breakdown of cash flows from operating activities, interest expenses included in the cost of revenues and in other expenses are combined and classified as to "cost of fund and interest expenses".	———	(Financing expenses) Financing expenses on the loans associated with individual investments or financings had been classified as cost of revenue and financing expenses on the loans which could not be traced to individual fund requirement had been classified as other expenses. However, due to increasing the ratio of the financing expenses which could not be traced to individual fund requirement, the Company has decided to allocate financing expenses to properly present cost of revenue and other expenses, since the fiscal year 2007. In allocating those expenses, the total assets are categorized as operating assets and other assets. Based on the ratio of these two categories of assets, the financing expenses are classified as the cost of revenue and other expense, respectively, on the consolidated statement of income. Along with the change, "bank loans, trade" is reclassified to "short-term debt" or "long-term debt" based on the term of payment. As a result of the change, the operating income have decreased by ¥174,567 thousand compared to what would have been reported under the previous presentation, but there is no impact on the ordinary profit in the consolidated statements of income. Current liabilities have decreased by ¥565,000 thousand, and long-term liabilities have increased by the same amount. In the consolidated statement of cash flows, cash flows from operating activities have increased by ¥2,699,325 thousand and cash flows from financing activities have decreased by the same amount. Additionally, as for the breakdown of cash flows from operating activities, interest expenses included in the cost of revenues and in other expenses are combined and classified as to "cost of fund and interest expenses".

Interim Fiscal 2007 (From October 1, 2006 to March 31, 2007)	**Interim Fiscal 2008** (From October 1, 2007 to March 31, 2008)	**Fiscal Year 2007** (From October 1, 2006 to September 30, 2007)
(Stock options) On December 27, 2005, Accounting Standard Boards of Japan (“ASBJ”) issued “Accounting Standard for Stock Options” and related guidance. As a result of this change, there is no impact on income and losses in the interim consolidated financial statements compared to what would have been reported under the previous accounting standard.	———	(Stock options) On December 27, 2005, Accounting Standard Boards of Japan (“ASBJ”) issued “Accounting Standard for Stock Options” and related guidance. The new standard and guidance are applicable to stock options newly granted on and after May 31, 2006. As a result of this change, there is a minimal impact on income and losses in the consolidated financial statements compared to what would have been reported under the previous accounting standard.

Changes in Presentation

Interim Fiscal 2007 (From October 1, 2006 to March 31, 2007)	**Interim Fiscal 2008** (From October 1, 2007 to March 31, 2008)
(Note to interim consolidated statements of income) From the interim fiscal 2006, the Company discloses “Stock distribution costs,” which was presented as “Stock issue costs” in the interim fiscal 2005.	———

Notes to Interim Consolidated Balance Sheets

Interim Fiscal 2007 (As of March 31, 2007)	**Interim Fiscal 2008** (As of March 31, 2008)	**Fiscal Year 2007** (As of September 30, 2007)
*1. Pledged assets and secured debts Assets pledged as collateral for bank loans were as follows: (Thousands of yen) Inventory ¥1,012,669 Loans receivable, trade 4,646,000 Total ¥5,658,669	*1. Pledged assets and secured debts Assets pledged as collateral for bank loans were as follows: (Thousands of yen) Cash and time deposits ¥100,000 Inventory 28,785,416 Loans receivable, trade 2,770,000 Total ¥31,655,416	*1. Pledged assets and secured debts Assets pledged as collateral for bank loans were as follows: (Thousands of yen) Inventory ¥1,012,669 Loans receivable, trade 1,400,000 Total ¥2,412,669
Collateralized loans from banks were as follows: (Thousands of yen) Long-term debt due within one year ¥185,000 Long-term debt 3,578,352 Total ¥3,763,352	Collateralized loans from banks were as follows: (Thousands of yen) Short-term debt ¥26,130,000 Long-term debt due within one year 1,350,000 Long-term debt 60,000 Total ¥27,540,000	Collateralized loans from banks were as follows: (Thousands of yen) Long-term debt ¥604,909 Total ¥604,909
*2. Accumulated depreciation of property, plant and equipment ¥39,970 thousand	*2. Accumulated depreciation of property, plant and equipment ¥90,406 thousand	*2 Accumulated depreciation of property, plant and equipment ¥60,965 thousand
3. Loan Commitment Line Contract In the principal finance operations, the Company is committed to provide a loan to a customer. The outstanding commitment balance was as follows: (Thousands of yen) Total commitment ¥3,546,000 Executed loans 1,424,000 Unused balance ¥2,122,000 As for ¥2,000,000 thousand under this contract, the loan is provided after examination of the purpose of use and credit standing of the debtor and therefore, the commitment amount may not be executed in full.	3. ———	3. Loan Commitment Line Contract In the principal finance operations, the Company is committed to provide a loan to a customer. The outstanding commitment balance was as follows: (Thousands of yen) Total commitment ¥920,000 Executed loans - Unused balance ¥920,000 Under this contract, the loan is provided after examination of the purpose of use and credit standing of the debtor and therefore, the commitment amount may not be executed in full.

Interim Fiscal 2007 (As of March 31, 2007)	**Interim Fiscal 2008** (As of March 31, 2008)	**Fiscal Year 2007** (As of September 30, 2007)
*4. ————	*4. Bad debts included in loans receivable, trade (Thousands of yen) Loans to borrowers in legal bankruptcy ¥55,400 Past due loans 2,190,000 Loans to borrowers in legal bankruptcy are loans which payment of principals and/or interests has not been received for a substancial period or, for other reasons, there are no prospects for collection of principals and/or interests, and accordingly, no interest has been accrued (excluding balance already written off and hereinafter referred to as nonaccrual loans) and also certain specific condition stated in the Implementation Ordinances for the Coporation Tax Law (Cabinet Order No.97, 1965), Items i through v in Article 96-1-3 or the circumstances stated in Article 96-1-4 exists. Past due loans are nonaccrual loans, other than loans to borrowers in legal bankruptcy and loans whose interest payments have been rescheduled in order to support the restructuring of the borrowers.	*4. ————

Interim Fiscal 2007 (As of March 31, 2007)	**Interim Fiscal 2008** (As of March 31, 2008)	**Fiscal Year 2007** (As of September 30, 2007)
5. Contingent Liabilities The Company gurarantees borrowings of the following companies: (Thousands of yen) Duplex Thirty-Sixth Ltd. ¥740,000 Duplex Thirty-Third Ltd. 800,000 Duplex Thirty-Fourth Ltd. 600,000 Duplex Forty-First Ltd. 400,000 Duplex Forty-Fourth Ltd. 300,000 Duplex Forty-Seventh Ltd. 450,000 Yokohama Bayside Resort Ltd. 2,000,000 Duplex Forty-Fifth Ltd. 500,000 Duplex Forty-Ninth Ltd. 300,000 Total ¥6,090,000	5. Contingent Liabilities The Company gurarantees borrowings of the following companies: (Thousands of yen) Duplex Forty-Fourth Ltd. ¥300,000 Duplex Forty-Seventh Ltd. 450,000 Duplex Forty-Fifth Ltd. 500,000 Duplex Forty-Ninth Ltd. 300,000 Duplex Fifty-Forth Ltd. 1,000,000 AKIMURA CIX INCOPORATED 2,057,000 First Credit Corporation 500,000 Others 126,525 Total ¥5,233,525 Joint guarantee liability (Thousands of yen) amount equivalent to maximum guarantee limit for rent guarantee service ¥12,309,948	5. Contingent Liabilities The Company gurarantees borrowings of the following companies: (Thousands of yen) Duplex Forty-Fifth Ltd. ¥500,000 Duplex Forty-Ninth Ltd. 300,000 Duplex Fifty-Forth Ltd. 1,000,000 Duplex Twenty-Seventh Ltd. 1,450,000 Duplex Thirty-Sixth Ltd. 740,000 Duplex Thirty-Third Ltd. 800,000 Duplex Thirty-Fourth Ltd. 600,000 Duplex Forty-First Ltd. 400,000 Duplex Forty-Fourth Ltd. 300,000 Duplex Forty-Seventh Ltd. 450,000 Yokohama Bayside Resort Ltd. 2,000,000 Total ¥8,540,000
*6. The following special purpose companies and six Silent Partnerships (Tokumei Kumiai), which invest in those special purpose companies, have been consolidated due to the fact that the Company substantially assumes the majority of rights and duties as well as the risks associated with the profits and losses of those companies. • TSM Fourteen Incorporated • FGI Investment Two Incorporated • Blenheim Partners One Incorporated • Yugen Kaisya Hibiki • Godo Kaisha Tempu Moderate Udagawa-cho Kaihatsu • FGI Investment Three Incorporated Major assets and liabilities of the above special purpose companies and the Silent Partnerships (Tokumei Kumiai), which are included in the interim consolidated balance sheet, are as follows: (Thousands of yen) Inventory ¥4,407,175 Short-term debt 692,352	*6. The following special purpose companies have been consolidated due to the fact that the Company substantially assumes the majority of rights and duties as well as the risks associated with the profits and losses of those companies. • Blenheim Partners One Incorporated • Yugen Kaisha Hibiki • FGI Investment Three Incorporated • Yugen Kaisha NJ Steel Beta • Godo Kaisha TSM Sixty Four Alfa • Godo Kaisha TSM Sixty Four Beta Major assets and liabilities of the above special purpose companies, which are included in the interim consolidated balance sheet, are as follows: (Thousands of yen) Inventory ¥ 32,337,791 Shot-term debt 23,300,000	*6. The following special purpose companies and five Silent Partnerships (Tokumei Kumiai), which invest in those special purpose companies, have been consolidated due to the fact that the Company substantially assumes the majority of rights and duties as well as the risks associated with the profits and losses of those companies. • FGI Investment Two Incorporated • FGI Investment Three Incorporated • Blenheim Partners One Incorporated • TSM Fourteen Incorporated • Yugen Kaisya Hibiki • Godo Kaisha Toranomon 1-chome Kaihatsu Major assets and liabilities of the above special purpose companies and the Silent Partnership (Tokumei Kumiai), which are included in the consolidated sheet, are as follows: (Thousands of yen) Inventory ¥ 4,467,342 Long-term debt 604,904

Interim Fiscal 2007 (As of March 31, 2007)	Interim Fiscal 2008 (As of March 31, 2008)	Fiscal Year 2007 (As of September 30, 2007)
7. Companies have executed a commitment-line contract with its banks to make appropriation for a fund for investments and loans. The credit line under this contract and the amount of the outstanding are as follows: (Thousands of yen) Total commitment ¥4,000,000 Executed loans 2,000,000 Unused balance ¥2,000,000	7. Companies have executed a commitment-line contract with its banks to make appropriation for a fund for investments and loans. The credit line under this contract and the amount of the outstanding are as follows: (Thousands of yen) Total commitment ¥5,800,000 Executed loans 4,000,000 Unused balance ¥1,800,000	7. Companies have executed a commitment-line contract with its banks to make appropriation for a fund for investments and loans. The credit line under this contract and the amount of the outstanding are as follows: (Thousands of yen) Total commitment ¥8,000,000 Executed loans 6,133,000 Unused balance ¥1,867,000
*8. Deposits Deposits represent cash held in trust under an investor protection fund for FX (Foreign Exchange) business by FX Online Japan Co., Ltd.	*8. Deposits Same as at left	*8. Deposits Same as at left
*9. Deposits from customers Deposits from customers are for FX (Foreign Exchange) business by FX Online Japan Co., Ltd. The following is the breakdown of deposits from customers: (Thousands of yen) Received deposits ¥10,458,721 Unrealized gain/(loss) on unsettled balance (1,128,068) Deposits from customers ¥9,330,653	*9. Deposits from customers Deposits from customers are for FX (Foreign Exchange) business by FX Online Japan Co., Ltd. The following is the breakdown of deposits from customers: (Thousands of yen) Received deposits ¥12,807,241 Unrealized gain/(loss) on unsettled balance (4,742,260) Deposits from customers ¥8,064,980	*9. Deposits from customers Deposits from customers are for FX (Foreign Exchange) business by FX Online Japan Co., Ltd. The following is the breakdown of deposits from customers: (Thousands of yen) Received deposits ¥12,265,197 Unrealized gain/(loss) on unsettled balance (2,272,463) Deposits from customers ¥9,992,733

Notes to Interim Consolidated Statements of income

Interim Fiscal 2007 (From October 1, 2006 to March 31, 2007)2	Interim Fiscal 2008 (From October 1, 2007 to March 31, 2008)	Fiscal Year 2007 (From October 1, 2006 to September 30, 2007)
*1. The following is the breakdown of revenue from investment banking business: (Thousands of yen) Arrangement operations: ¥2,812,065 (Arrangement services: 2,512,845) (Arrangement services with credit enhancement: 299,220) Principal finance operations: 1,415,017 Other investment banking operations: 240,362 Total ¥4,467,445	*1. The following is the breakdown of revenue from investment banking business: (Thousands of yen) Arrangement operations: ¥1,934,376 (Arrangement services: 1,825,376) (Arrangement services with credit enhancement: 109,000) Principal finance operations: 1,263,371 Other investment banking operations: 34,165 Total ¥3,231,912	*1. The following is the breakdown of revenue from investment banking business: (Thousands of yen) Arrangement operations: ¥3,878,772 (Arrangement services: 3,271,754) (Arrangement services with credit enhancement: 607,017) Principal finance operations: 2,929,176 Other investment banking operations: 177,182 Total ¥6,985,131
*2. The following is the breakdown of revenue from the reinsurance/financial guarantee businesses: (Financial Guarantee Business) (Thousands of yen) Gross guarantee fees ¥75,909 Decrease/(increase) in unearned guarantee fees 41,852 Guarantee arrangement fees 64,750 Total ¥182,511 (Reinsurance Business) (Thousands of yen) Reinsurance premiums assumed ¥676,028 Reinsurance premiums ceded (43,500) Total ¥632,528	*2. The following is the breakdown of revenue from the reinsurance/financial guarantee businesses: (Financial Guarantee Business) (Thousands of yen) Gross guarantee fees ¥103,193 Decrease/(increase) in unearned guarantee fees 152,567 Total ¥255,760 (Reinsurance Business) (Thousands of yen) Reinsurance premiums assumed ¥1,663 Reinsurance premiums ceded (53,500) Total ¥(51,836)	*2. The following is the breakdown of revenue from the reinsurance/financial guarantee businesses: (Financial Guarantee Business) (Thousands of yen) Gross guarantee fees ¥188,367 Decrease/(increase) in unearned guarantee fees 57,714 Guarantee arrangement fees 93,500 Total ¥339,582 (Reinsurance Business) (Thousands of yen) Reinsurance premiums assumed ¥1,501,016 Reinsurance premiums ceded (120,500) Total ¥1,380,516
*3. Major selling, general and administrative expenses (Thousands of yen) Provision for doubtful accounts ¥4,341 Directors' bonuses 155,670 Salaries 239,285 Provision for accrued employee bonuses 69,526 Retirement benefit expenses 9,618 Depreciation and amortization 15,985 Rent 105,728 Commissions paid 691,756 Tax and dues 86,432	*3. Major selling, general and administrative expenses (Thousands of yen) Provision for doubtful accounts ¥1,313,174 Directors' bonuses 228,335 Salaries 472,069 Provision for accrued employee bonuses 197,307 Retirement benefit expenses 7,834 Depreciation and amortization 41,410 Rent 155,727 Commissions paid 767,005 Amotization of goodwill 734,780 Tax and dues 168,968	*3. Major selling, general and administrative expenses (Thousands of yen) Provision for doubtful accounts ¥63,189 Directors' bonuses 377,800 Salaries 635,611 Provision for accrued employee bonuses 360,193 Retirement benefit expenses 28,733 Depreciation and amortization 52,669 Rent 264,208 Commissions paid 1,400,768 Amotization of goodwill 746,160 Advertisement expenses 304,183

<table>
<tr><th>Interim Fiscal 2007
(From October 1, 2006
to March 31, 2007)2</th><th>Interim Fiscal 2008
(From October 1, 2007
to March 31, 2008)</th><th>Fiscal Year 2007
(From October 1, 2006
to September 30, 2007)</th></tr>
<tr><td>*4. Loss due to impairment
The loss due to impairment on the following asset group was recognized.

<table><tr><td>Name of company</td><td>Type of asset</td></tr><tr><td>ASAP Payment System Inc.</td><td>Goodwill</td></tr></table>
For the purpose of determining fixed assets that are impaired, the Company groups its fixed assets based on the type of business and business condition.
The Company recognized ¥66,817 thousand of impairment loss on the Goodwill related to the investment in ASAP Payment System Inc. because expected future cash flows from the investment are not considered as fully recoverable.</td><td>*4. ――――</td><td>*4 Loss due to impairment
The loss due to impairment on the following asset group was recognized.

<table><tr><td>Name of company</td><td>Type of asset</td></tr><tr><td>ASAP Payment System Inc.</td><td>Goodwill</td></tr></table>
For the purpose of determining fixed assets that are impaired, the Company groups its fixed assets based on the type of business and business condition.
The Company recognized ¥66,817 thousand of impairment loss on the Goodwill related to the investment in ASAP Payment System Inc. because expected future cash flows from the investment are not considered as fully recoverable.</td></tr>
</table>

Interim Fiscal 2007 (From October 1, 2006 to March 31, 2007)2	**Interim Fiscal 2008** (From October 1, 2007 to March 31, 2008)	**Fiscal Year 2007** (From October 1, 2006 to September 30, 2007)
*5 ―――	*5 ―――	*5. Godo Kaisha Tempu Moderate Udagawa-cho Kaihatsu, which has been consolidated in accordance with “Practical Solution on Application of Control Criteria and Influence Criteria to Investment Association” (Practical Issue Task Force No. 20 issued by ASBJ on September 8, 2006), sold the real estate held for sale in the fiscal year 2007. As a result, ¥3,658,511 thousand of revenue are recognized in the Real estate related business, resulted ¥2,569,504 thousand of cost of revenue. ¥1,089,007 thousand of gross profit, ¥979,908 thousand of operating income, and ¥898,286 thousand of income before income taxes and minority interests. The Company did not have any equity interests in Godo Kaisha Tempu Moderate Udagawa-cho Kaihatsu but had consolidated it on the basis that the Company substantially assumes the majority of rights and duties as well as the risks associated with profits and losses. Therefore, upon consolidation, the net results of Godo Kaisha Tempu Moderate Udagawa-cho Kaihatsu have been attributed to minority interests and results no impact on the net income in the consolidated statement of income.
*6 ―――	*6 The Company paid rewarding and condolence money of ¥39,850 thousand to the former director and chairman.	*6 ―――

Notes to Interim Consolidated Statements of Changes in Net Assets

Interim Fiscal 2007 (From October 1, 2006 to March 31, 2007)

1. The type of issued stock and number of shares, the type of treasury stock and the number of shares

Type of stock	Number of shares as of September 30, 2006	Increases	Decreases	Number of shares as of March 31,2007
Issued stock Common stock	236,622	955,163	-	1,191,785

(Reasons for changes)

The increases in number of shares were resulted from the following:

A 5-for-1 stock split on Octorber 1, 2006	946,488 shares
Exercise of stock acquisition rights (stock options)	8,675 shares

2. Stock acquisition rights

Name of company	Details	Type of stock to be issued	Number of shares to be issued for the stock acquisition rights				Balance as of March 31, 2007 (Thousands of yen)
			As of September 30, 2006	Increases	Decreases	As of March 31, 2007	
FinTech Global Incorporated	Stock acquisition rights on the third series of bonds issued in April 2006	Common stock	22,222.22	-	22,222.22	-	-
	Stock acquisition rights on the Euro-yen denominated bonds issued in February 2007	Common stock	-	139,785	-	139,785	-
Total			22,222.22	139,785	22,222.22	139,785	-

Notes: 1. Number of shares to be issued for the stock acquisition rights represents the maximum number of shares derived through the exercise of stock acquisition rights.

2. Reasons for changes in number of shares

Decrease in number of shares for stock acquisition rights issued in April 2006 was resulted from the early redemption of those bonds.

Increase in number of shares for stock acquisition rights on the Euro-yen denominated bonds issued in February 2007 was a result of issuance of ¥20,000,000,000 Zero coupon convertible bonds due in 2012.

3. Dividends

(1) Dividends paid

Resolution	Type of stock	Total dividends (Thousands of yen)	Dividend per share (Yen)	Record date	Effective date
General shareholders' meeting on December 20, 2006	Common stock	¥1,183,110	¥5,000	September 30, 2006	December 21, 2006

(2) Dividends of which the record date falls in the current interim fiscal year but the effective date falls in the following interim fiscal year.

Resolution	Type of stock	Source of dividends	Total dividends (Thousands of yen)	Dividend per share (Yen)	Record date	Effective date
Board of directors' meeting on May 15, 2007	Common stock	Retained earnings	¥655,481	¥550	March 31, 2007	June 14, 2007

Interim Fiscal 2008 (From October 1, 2007 to March 31, 2008)

1. The type of issued stock and number of shares, the type of treasury stock and the number of shares

Type of stock	Number of shares as of September 30, 2007	Increases	Decreases	Number of shares as of March 31, 2008
Issued stock Common stock	1,202,560	5,425	-	1,207,985

(Reasons for changes)

The increases in number of shares were resulted from the following:

Exercise of stock acquisition rights (stock options) 5,425 shares

2. Stock acquisition rights

Name of company	Details	Type of stock to be issued	Number of shares to be issued for the stock acquisition rights				Balance as of March 31, 2008 (Thousands of yen)
			As of September 30, 2007	Increases	Decreases	As of March 31, 2008	
FinTech Global Incorporated	Stock acquisition rights on the Euro-yen denominated bonds issued in February 2007	Common stock	139,785	-	-	139,785	-
	Stock acquisition rights (stock options)		-	-	-	-	11,556
Total			139,785	-	-	139,785	11,556

Notes: 1. Number of shares to be issued for the stock acquisition rights represents the maximum number of shares derived through the exercise of stock acquisition rights.

3. Dividends

(1) Dividends paid

Resolution	Type of stock	Total dividends (Thousands of yen)	Dividend per share (Yen)	Record date	Effective date
General shareholders' meeting on December 20, 2007	Common stock	¥901,920	¥750	September 30, 2007	December 21, 2007

(2) Dividends of which the record date falls in the current interim fiscal year but the effective date falls in the following interim fiscal year.

Resolution	Type of stock	Source of dividends	Total dividends (Thousands of yen)	Dividend per share (Yen)	Record date	Effective date
General shareholders' meeting on May 15, 2008	Common stock	Retained earnings	¥199,317	¥165	March 31, 2008	June 13, 2008

Fiscal Year 2007 (From October 1, 2006 to September 30, 2007)

1. The type of issued stock and number of shares, the type of treasury stock and the number of shares

Type of stock	Number of shares as of September 30, 2006	Increases	Decreases	Number of shares as of September 30, 2007
Issued stock Common stock	236,622	965,938	-	1,202,560

(Reasons for changes)

The increases in number of shares were resulted from the following:

A 5-for-1 stock split on Octorber 1, 2006	946,488 shares
Exercise of stock acquisition rights (stock options)	19,450 shares

2. Stock acquisition rights

Name of company	Details	Type of stock to be issued	Number of shares to be issued for the stock acquisition rights				Balance as of September 30, 2007 (Thousands of yen)
			As of September 30, 2006	Increases	Decreases	As of September 30, 2007	
FinTech Global Incorporated	Stock acquisition rights on the third series of bonds issued in April 2006	Common stock	22,222.22	-	22,222.22	-	-
	Stock acquisition rights on the Euro-yen denominated bonds issued in February 2007	Common stock	-	139,785	-	139,785	-
	Stock acquisition rights (stock options)	Common stock	-	-	-	-	4,974
Total			22,222.22	139,785	22,222.22	139,785	4,974

Notes: 1. Number of shares to be issued for the stock acquisition rights represents the maximum number of shares derived through the exercise of stock acquisition rights.

2. Reasons for changes in number of shares

Decrease in number of shares for stock acquisition rights on the third series of bonds issued in April 2006 was resulted from the early redemption of those bonds.

Increase in number of shares for stock acquisition rights on the Euro-yen denominated bonds issued in February 2007 was a result of issuance of ¥20,000,000,000 Zero coupon convertible bonds due in 2012.

3. Dividends

(1) Dividends paid

Resolution	Type of stock	Total dividends (Thousands of yen)	Dividend per share (Yen)	Record date	Effective date
General shareholders' meeting on December 20, 2006	Common stock	¥1,183,110	¥5,000	September 30, 2006	December 21, 2006
Board of directors meeting on May 15, 2007	Common stock	¥655,481	¥550	March 31, 2007	June 14, 2007

(2) Dividends of which the record date falls in the current fiscal year but the effective date falls in the following fiscal year.

Resolution	Type of stock	Source of dividends	Total dividends (Thousands of yen)	Dividend per share (Yen)	Record date	Effective date
General shareholders' meeting on December 20, 2007	Common stock	Retained earnings	¥901,920	¥750	September 30, 2007	December 21, 2007

Notes to Interim Consolidated Statements of Cash Flows

Interim Fiscal 2007 (From October 1, 2006 to March 31, 2007)	Interim Fiscal 2008 (From October 1, 2007 to March 31, 2008)	Fiscal Year 2007 (From October 1, 2006 to September 30, 2007)
*1. Cash and cash equivalents was computed as follows: (Thousands of yen) Cash and time deposits ¥23,501,789 Cash and cash equivalents ¥23,501,789	*1. Cash and cash equivalents was computed as follows: (Thousands of yen) Cash and time deposits ¥12,142,758 Cash and cash equivalents ¥12,142,758	*1. Cash and cash equivalents was computed as follows: (Thousands of yen) Cash and time deposits ¥15,263,735 Less: time deposits with original marutiry over three months (100,000) Cash and cash equivalents ¥15,163,735 *2. Decrease in cash and cash equivalents due to deconsolidation of susidiaries As described in Note 5 of the notes to consolidated statemetns of income, Godo Kaisha Tempu Moderate Udagawa-cho Kaihatsu, which has been consolidated during certain period in fiscal 2007 in accordance with "Practical Solution on Application of Control Criteria and Influence Criteria to Investment Associations" (PITF No. 20 issued by ASBJ on September 8, 2006), and later has been excluded from consolidation since it sold the real estate held for sale. As a result, a gain of ¥898,286 thousand is recognized as income before income taxes and ¥897,412 thousand is included in decrease in cash and cash equivalents due to deconsolidation of subsidiaries on the consolidated statement of cash flows.

Leases

Interim Fiscal 2007
(From October 1, 2006
to March 31, 2007)

Finance leases, except for those leases under which the ownership of the leased assets is considered to be transferred to the lessee, are accounted for in the same manner as operating leases.

1. Leased property, such as assumed acquisition costs, assumed accumulated depreciation, and assumed balance as of March 31, 2007 are as follows:

(Thousands of yen)

	Assumed acquisition costs	Assumed accumulated depreciation	Assumed balance
Buildings	¥1,938	¥872	¥1,066
Furniture and equipment	37,366	12,870	24,495
Intangible fixed assets	556	185	371
Total	¥39,861	¥13,928	¥25,932

2. The scheduled maturities of future lease payments of such lease contracts are as follows:

(Thousands of yen)

Due within one year	¥7,904
Due over one year	20,315
	¥28,219

3. Lease expenses and assumed depreciation and assumed interest expense of the non-capitalized finance leases for the year ended March 31, 2007 are as follows:

(Thousands of yen)

Lease expenses	¥7,518
Assumed depreciation expenses	6,239
Assumed interest expenses	1,222

4. Assumed depreciation was calculated using the straight-line method over the lease term with no residual value.

Interim Fiscal 2008
(From October 1, 2007
to March 31, 2008)

Finance leases, except for those leases under which the ownership of the leased assets is considered to be transferred to the lessee, are accounted for in the same manner as operating leases.

1. Leased property, such as assumed acquisition costs, assumed accumulated depreciation, and assumed balance as of March 31, 2008 are as follows:

(Thousands of yen)

	Assumed acquisition costs	Assumed accumulated depreciation	Assumed balance
Furniture and equipment	¥28,593	¥14,138	¥14,454
Intangible fixed assets	556	296	259
Total	¥29,149	¥14,435	¥14,714

2. The scheduled maturities of future lease payments of such lease contracts are as follows:

(Thousands of yen)

Due within one year	¥6,192
Due over one year	9,721
	¥15,913

3. Lease expenses and assumed depreciation and assumed interest expense of the non-capitalized finance leases for the year ended March 31, 2008 are as follows:

(Thousands of yen)

Lease expenses	¥3,357
Assumed depreciation expenses	2,910
Assumed interest expenses	343

4. Same as at left

Fiscal Year 2007
(From October 1, 2006
to September 30, 2007)

Finance leases, except for those leases under which the ownership of the leased assets is considered to be transferred to the lessee, are accounted for in the same manner as operating leases.

1. Leased property, such as assumed acquisition costs, assumed accumulated depreciation, and assumed balance as of September 30, 2007 are as follows:

(Thousands of yen)

	Assumed acquisition costs	Assumed accumulated depreciation	Assumed balance
Furniture and equipment	¥30,240	¥ 11,725	¥ 18,515
Intangible fixed assets	556	241	315
Total	¥ 30,797	¥ 11,966	¥ 18,830

2. The scheduled maturities of future lease payments of such lease contracts are as follows:

(Thousands of yen)

Due within one year	¥ 6,331
Due over one year	13,648
	¥ 19,980

3. Lease expenses and assumed depreciation and assumed interest expense of the non-capitalized finance leases for the year ended September 30, 2007 are as follows:

(Thousands of yen)

Lease expenses	¥5,507
Assumed depreciation expenses	4,698
Assumed interest expenses	716

4. Same as at left

Interim Fiscal 2007 (From October 1, 2006 to March 31, 2007)	**Interim Fiscal 2008** (From October 1, 2007 to March 31, 2008)	**Fiscal Year 2007** (From October 1, 2006 to September 30, 2007)
5. Differences between total lease expenses and assumed acquisition costs of the leased assets comprise assumed interest expenses. Assumed interest expenses are allocated to each period using the interest method over the lease term.	5. Same as at left	5. Same as at left

Securities

Interim Fiscal 2007 (As of March 31, 2007)

1. The amounts of other securities with fair market value are summarized as follows:

(Thousands of yen)

	Acquisition cost	Carrying amount	Unrealized gain (loss)
(1) Equity securities	¥9,200	¥22,200	¥13,000
Total	¥9,200	¥22,200	¥13,000

2. The carrying amounts of major securities without fair market value are summarized as follows:

(Thousands of yen)

	Carrying amount
Other securities:	
Silent Partnership (Tokumei Kumiai) investment	¥658,451
Unlisted equity securities	90,500

Interim Fiscal 2008 (As of March 31, 2008)

1. The amounts of other securities with fair market value are summarized as follows:

(Thousands of yen)

	Acquisition cost	Carrying amount	Unrealized gain (loss)
(1) Equity securities	¥9,200	¥6,060	¥(3,140)
(2) Other	51,000	43,601	(7,398)
Total	¥60,200	¥49,661	¥(10,538)

2. The carrying amounts of major ecurities without fair market value are summarized as follows:

(Thousands of yen)

	Carrying amount
Other securities without fair market value:	
Silent Partnership (Tokumei Kumiai)	¥126,587
Unlisted equity securities	491,119
Unlisted corporate bonds	4,550,000
Preferred securities	480,000

Fiscal Year 2007 (As of September 30, 2007)

1. The amounts of other securities with fair market value are summarized as follows:

(Thousands of yen)

	Acquisition cost	Carrying amount	Unrealized gain (loss)
(1) Equity securities	¥ 9,200	¥ 15,000	¥ 5,800
(2) Other	1,020,000	985,261	(34,738)
Total	¥1,029,200	¥1,000,261	¥(28,938)

2. The carrying amounts of major securities without fair market value are summarized as follows:

(Thousands of yen)

	Carrying amount
Other securities:	
Silent Partnership (Tokumei Kumiai) investment	¥541,706
Unlisted equity securities	135,500
Unlisted corporate bonds	3,550,000
Preferred securities	480,000

Derivative Transactions

Interim Fiscal 2007 (From October 1, 2006 to March 31, 2007)

(Thousands of yen)

Item	Type	Contract amount	Fair market value	Unrealized gain (loss)
Interest rate	Interest rate caps bought	200,000	0	(1)

Notes: 1. Market value is calculated based on the prices presented by the correspondent financial institution, etc.
2. Contract amount is not actual transaction value with trading partners, and thus does not present the market risk associated with derivatives instruments.
3. Derivative instruments to which hedge accounting were applied are excluded from above table.

(Thousands of yen)

Item	Type	Contract amount	Fair market value	Unrealized gain (loss)
Currency	Foreign exchange margin tradings			
	Sold	207,850,231	207,638,915	211,316
	Bought	206,129,019	207,583,245	1,454,225

Note: Gains or losses on deemed settlements are recorded in the "Fair market value" above.

Interim Fiscal 2008 (From October 1, 2007 to March 31, 2008)

(Thousands of yen)

Item	Type	Contract amount	Fair market value	Unrealized gain (loss)
Currency	Foreign exchange margin tradings			
	Sold	129,015,496	124,173,704	4,841,792
	Bought	124,243,141	124,145,451	(97,690)

Note: Gains or losses on deemed settlements are recorded in the "Fair market value" above.

(Thousands of yen)

Item	Type	Contract amount	Fair market value	Unrealized gain (loss)
Equity securities	Option sold	169,607	257,915	(88,307)
	Option bought	0	0	0

Notes: 1. Market value is calculated based on the prices presented by the correspondent financial institution, etc.
2. Contract amount is not actual transaction value with trading partners, and thus does not present the market risk associated with derivatives instruments.
3. Derivative instruments to which hedge accounting were applied are excluded from above table.

Fiscal 2007 (From October 1, 2006 to September 30, 2007)

(Thousands of yen)

Item	Type	Contract amount	Fair market value	Unrealized gain (loss)
Currency	Foreign exchange margin tradings			
	Sold	173,318,030	172,104,843	1,213,187
	Bought	171,169,448	172,108,905	939,457

Note: Gains or losses on deemed settlements are recorded in the "Fair market value" above.

Stock Options

Interim Fiscal 2007 (From October 1, 2006 to March 31, 2007)

1. Amount and account used to recognize expenses
   Certain consolidated subsidiaries granted treasury stock options during the interim fiscal 2007. The treasury stock options granted by the consolidated subsidiaries were accounted for by the intrinsic value method, instead of the value method, allowed for privately held companies in accordance with the "Accounting Standards for Stock Options." No expense was recognized for the treasury stock options granted by the consolidated subsidiaries because intrinsic value at the grant date was estimated at zero.

2. Outline of treasury stock options
   The granted treasury stock options were omitted from the interim fiscal 2007 because they have immaterial impact on the Company's financial position and business results.

Interim Fiscal 2008 (From October 1, 2007 to March 31, 2008)

1. Amount and account used to recognize expenses

(Thousands of yen)

Cost of revenue:	Stock compensation expense ¥ 197
Selling, general and administrative expenses:	Stock compensation expense ¥ 6,382

2. Outline of stock options granted during the period
   Not applicable

Fiscal 2007 (From October 1, 2006 to September 30, 2007)

1. Amount and account used to recognize expenses

(Thousands of yen)

Cost of revenue:	Stock compensation expense ¥ 246
Selling, general and administrative expenses:	Stock compensation expense ¥ 4,728

Certain consolidated subsidiaries granted stock options during the fiscal 2007. The stock options granted by consolidated subsidiaries and treasury stock options were accounted for by the intrinsic value method, instead of the fair value method, allowed for privately held companies in accordance with the "Accounting Standards for Stock Options." No expense was recognized for the stock opitions granted by the consolidated subsidiaries and treasury stock options because intrinsic value at the grant date was estimated at zero.

2. Outline of stock options and changes

(1) Outline of stock options

Type	Stock options	Stock options
Name of company	FinTech Global Incorporated	FinTech Global Incorporated
Name	Subscription rights	First stock acquisition rights Second stock acquisition rights
Title and number of grantees	Members of the board of director: 3 Employees: 8 Approved supportes: 7	Members of the board of directors: 2 Employees: 16 Outside supporter:1 Auditors: 3 Members of the board of directors of affiliates: 2
Number of stock options (*1)	Common stock: 42,750 shares (*2)	Common stock: 75,000 shares (*2)
Grant date	December 25, 2001	First December 1, 2004 Second December 14, 2004
Condition of vesting	Those who are entitiled to exercise the stock option	Those who are entitiled to exercise the stock option

	shall be any of the directors or employees of the Company or its subsidiaries at the time of vesting date (on or after the first day of the period for exercise). （excluding approved supportes）	shall be any of the directors, corporate auditors or employees of the Company, its subsidiaries or affiliates at the time of vesting date (on or after the first day of the period for exercise) unless there are any appropriate reasons such as a resignation due to expiry of the term of duty and a mandatory retirement.
Required service period	December 25, 2001 to December 25, 2003 (members of the board of directors and employees)	First December 1, 2004 to June 30, 2006 Second December 14, 2004 to June 30, 2006
Exercise period	December 26, 2003 to December 25, 2011 (members of the board of directors and employees) From the date of listing to December 25, 2011 (approved supporters)	July 1, 2006 to June 15, 2014
Exercise price	¥667	¥5,334
Fair value unit price at the grant date	-	-

Type	Stock options	Stock options
Name of company	FinTech Global Incorporated	FinTech Global Incorporated
Name	Third stock acquisition rights	Fourth stock acquisition rights
Title and number of grantees	Employees: 30	Employees: 10
Number of stock options (*1)	Common stock: 15,000 shares (*2)	Common stock: 3,250 shares (*2)
Grant date	December 2, 2005	April 27, 2006
Condition of vesting	Those who are entitiled to exercise the stock option shall be any of the directors, corporate auditors or employees of the Company, its subsidiaries or affiliates at the time of vesting date (on or after the first day of the period for exercise) unless there are any appropriate reasons such as a resignation due to expiry of the term of duty and a mandatory retirement.	Same as at left
Required service period	December 2, 2005 to December 9, 2006	April 27, 2006 to December 31, 2007
Exercise period	December 10, 2006 to November 30, 2014	January 1, 2008 to November 30, 2015
Exercise price	¥14,667	¥145,979
Fair value unit price at the grant date	-	-

Type	Stock options	Treasury stock options
Name of company	FinTech Global Incorporated	FX Online Japan Co.,Ltd.
Name	Fifth stock acquisition rights	First stock acquisition rights
Title and number of grantees	Employees: 54	Clients: 1(*4)
Number of stock options and treasury stock options (*1)	Common stock: 1,280 shares	Common stock: 105 shares (*4)
Grant date	June 4, 2007	March 23, 2007
Condition of vesting	Those who are entitiled to exercise the stock option shall be any of the directors, corporate auditors or employees of the Company or its subsidiaries at the time of vesting date (on or after the first day of the period for exercise) unless there are any appropriate reasons such as a resignation due to expiry of the term of duty and a mandatory retirement.	The stock acquisition rights are exercisable after the common stock of FX Online Japan Co., Ltd. is listed on a Stock Exchange. The listed common stock is assignable only after nonassignability term that the Stock Exchange or lead managing underwriter considers appropriate or necessary.
Required service period	(*3)	-

Exercise period	June 4, 2009 toNobember 30, 2016 (*3)	A period from the issuance date through the date 10 years after the resolution date at the ordinary shareholders' meeting (if the date is not a business day, the nearest preceding day shall apply)
Exercise price	¥71,130	¥2,674,173
Fair value unit price at the grant date	(*3)	-

Type	Stock options	Stock options
Names of company	FX Online Japan Co.,Ltd.	Entrust, Inc.
Name	Second stock acquisition rights	First stock acquisition rights
Title and number of grantees	Members of the board of directors of the company: 1 Employees of the company: 19	Members of the board of directors of the company: 3 Employees of the company: 6
Number of stock options (*1)	Common stock: 248 shares	Common stock: 86 shares
Grant date	June 29, 2007	April 1, 2007
Condition of vesting	Those who are entitiled to exercise the stock option shall be any of the directors, corporate auditors or employees of FX Online Japan Co., Ltd. or its subsidiaries at the time of the exercise. In the case of a mandatory retirement, the right is forfeited in 1 year after the exercisable date if it remains unexercised until the last day (there is no extension of more than 10 years since the shareholders' meeting). In the case of a retirement due to death, the right is forfeited in 1 year after the exercisable date if it remains unexercised until the last day (there is no extension of more than 10 years since the shareholders' meeting).	Those who are entitiled to exercise the stock option shall be any of the directors, corporate auditors or employees of Entrust, Inc. at the time of vesting date (on or after the first day of the period for exercise) (Except in case those who are entitled to exercise the stock acquisition rights are not the directors, corporate audiors or employees of Entrust, Inc. on the allotment day) unless there are any approval from the board of directors and acceptance in writing.
Required service period	June 29, 2007 to June 29, 2009	April 1, 2007 to March 31, 2009
Exercise period	June 30, 2009 to June 29, 2017	April 1, 2009 to September 30, 2014
Exercise price	¥2,674,173	¥50,000
Fair value unit price at the grant date	-	-

Type	Stock options
Name of company	Entrust, Inc.
Name	Second stock acquisition rights
Title and number of grantees	Members of the board of directors of the company: 3 Employees of the company: 8
Number of stock options (*1)	Common stock: 114 shares

Grant date	September 10, 2007
Condition of vesting	Those who are entitiled to exercise the stock option shall be any of the directors, corporate auditors or employees of Entrust, Inc. at the time of vesting date (on or after the first day of the period for exercise) (Except in case those who are entitled to exercise the stock acquisition rights are not the directors, corporate audiors or employees of Entrust, Inc on the allotment day) unless there are any approval from the board of directors and acceptance in writing.
Required service period	September 10, 2007 to March 31, 2009
Exercise period	April 1, 2009 to September 30, 2016
Exercise price	50,000
Fair value at the grant date	-

Notes: (*1) The number of stock options is convered into the number of shares.

(*2) The number of stock options is adjusted with a 5-for-1 stock split on December 20, 2004, a 3-for-1 stock split on December 20, 2005 and a 5-for-1 stock split on October 1, 2006.

(*3) Those who are entitled to exercise the stock acquisition rights can exercise up to the percentage in each required service period described in the “Category” below.

	Category	Required service period	Fair value unit price
A	The period from June 4, 2009 to June 3, 2010 is up to 40% of all of the shares in the stock acquisition rights granted	June 4, 2007 to June 3, 2009	¥31,129
B	The period from June 4, 2010 to June 3, 2011 is up to 70% of all of the shares in the stock acquisition rights granted, totaling the number of shares in the stock acquisition rights exercised from June 4, 2009 to June 3, 2010.	June 4, 2007 to June 3, 2010	¥32,065
C	The period from June 4, 2011 to June 3, 2012 is up to 90% of all of the shares in the stock acquisition rights granted, totaling the number of shares in the stock acquisition rights exercised from June 4, 2009 to June 3, 2011.	June 4, 2007 to June 3, 2011	¥32,917
D	The period from June 4, 2012 to November 30, 2016 is all of the unexercised stock acquisition rights.	June 4, 2007 to June 3, 2012	¥33,688

(*4) Other than that, 370 shares of treasury stock options (the number of treasury stock options is covered into the number of shares and includes 333 shares of the Company) were granted to 2 shareholders, including the Company, and one partnership. Because the 370 shares were granted solely for maintaining the population ratio of voting rights and do not represent any consideration, they are not disclosed on the table.

Segment Information

1. Segment information by business

Interim Fiscal 2007 (From October 1, 2006 to March 31, 2007)

(Thousands of yen)

	Investment banking business	Reinsurance/ financial guarantee business	Real estate related business	Total	Elimination or corporate	Consolidated total
Revenue						
(1) Revenue to third party	¥4,467,445	¥815,040	¥869,188	¥6,151,674	-	¥6,151,674
(2) Inter-segment revenue	206,253	-	-	206,253	(206,253)	-
Total	4,673,698	815,040	869,188	6,357,927	(206,253)	6,151,674
Operating expenses	1,774,447	858,444	1,005,030	3,637,922	(101,600)	3,536,321
Operating income (loss)	2,899,251	(43,403)	(135,842)	2,720,005	(104,652)	2,615,352

Notes:11. Business segments are grouped according to the market similarities.

2. Principal business activities in each segment

(1) Investment banking business: Arrangement operations, principal finance operations, and other investment banking operations

(2) Reinsurance/financial guarantee business: Credit enhancement and reinsurance underwriting

(3) Real estate related business: Real estate development and trade, lease and brokerage

Interim Fiscal 2008 (From October 1, 2007 to March 31, 2008)

(Thousands of yen)

	Investment banking business	Reinsurance/ financial guarantee business	FX (Foreign Exchange) business	Real estate related business	Total	Elimination or corporate	Consolidated total
Revenue							
(1) Revenue to third party	¥3,231,912	203,924	¥3,847,979	¥1,678,025	¥8,961,842	-	¥8,961,842
(2) Inter-segment revenue	276,416	-	-	-	276,416	(276,416)	-
Total	3,508,329	203,924	3,847,979	1,678,025	9,238,258	(276,416)	8,961,842
Operating expenses	2,837,163	324,139	1,933,153	1,634,710	6,729,167	(80,314)	6,648,852
Operating income (loss)	671,165	(120,215)	1,914,825	43,314	2,509,090	(196,101)	2,312,989

Notes: 1. Business segments are grouped according to the market similarities.

2. Principal business activities in each segment

(1) Investment banking business: Arrangement operations, principal finance operations, and other investment banking operations

(2) Reinsurance/financial guarantee business: Credit enhancement and reinsurance underwriting

(3) FX (Foreign Exchange) business: Foreign exchange margin trading business on internet

(4) Real estate related business: Real estate development and trade, lease and brokerage

Fiscal Year 2007 (From October 1, 2006 to September 30, 2007)

(Thousands of yen)

	Investment banking business	Reinsurance/ financial guarantee business	FX (Foreign Exchange) business	Real estate related business	Total	Elimination or corporate	Consolidated total
Revenue							
(1) Revenue to third party	¥6,985,131	¥1,720,098	¥3,139,104	¥5,069,812	¥16,914,147	-	¥16,914,147
(2) Inter-segment revenue	260,099	-	-	-	260,099	(260,099)	-
Total	7,245,230	1,720,098	3,139,104	5,069,812	17,174,246	(260,099)	16,914,147
Operating expenses	3,606,745	1,836,292	1,627,000	3,648,222	10,718,261	(91,092)	10,627,169
Operating income (loss)	3,638,484	(116,193)	1,512,103	1,421,589	6,455,984	(169,006)	6,286,977

Notes:l1. Business segments are grouped according to the market similarities.

2. Principal business activities in each segment

(1) Investment banking business: Arrangement operations, principal finance operations, and other investment banking operations

(2) Reinsurance/financial guarantee business: Credit enhancement and reinsurance underwriting

(3) FX (Foreign Exchange) business: Foreign exchange margin trading business on internet

(4) Real estate related business: Real estate development and trade, lease and brokerage

3. Godo Kaisha Tempu Moderate Udagawa-cho Kaihatsu, which has been consolidated in accordance with "Practical Solution on Application of Control Criteria and Influence Criteria to Investment Association" (PITF No. 20 issued by ASBJ on September 8, 2006), sold the real estate held for sale for the fiscal 2007. As a result, ¥3,658,511 thousand of revenue to third party, ¥2,678,603 thousand of operating expenses, and ¥979,908 thousand of operating income are recognized in the Real estate related business segment.

2. Segment information by geographical areas

Interim Fiscal 2007 (From October 1, 2006 to March 31, 2007)

(Thousands of yen)

	Japan	Europe and America	Total	Elimination or corporate	Consolidated total
Revenue					
(1) Revenue to third party	¥5,336,813	¥814,860	¥6,151,674	-	¥6,151,674
(2) Inter-segment revenue	-	109	109	(109)	-
Total	5,336,813	814,970	6,151,783	(109)	6,151,674
Operating expenses	2,738,432	797,998	3,536,431	(109)	3,536,321
Operating income	2,598,381	16,971	2,615,352	-	2,615,352

Notes: 1. National and regional segments are grouped according to the geographical proximity.

2. Countries and regions associated with the geographical segments outside of Japan

Europe and America: Switzerland and Bermuda

Interim Fiscal 2008 (From October 1, 2007 to March 31, 2008)

(Thousands of yen)

	Japan	Europe and America	Total	Elimination or corporate	Consolidated total
Revenue					
(1) Revenue to third party	¥8,837,432	¥124,409	¥8,961,842	-	¥8,961,842
(2) Inter-segment revenue	-	1,217	1,217	(1,217)	-
Total	8,837,432	125,627	8,963,059	(1,217)	8,961,842

Operating expenses	6,429,338	220,731	6,650,070	(1,217)	6,648,852
Operating income (loss)	2,408,093	(95,104)	2,312,989	-	2,312,989

Notes:11. National and regional segments are grouped according to the geographical proximity.

2. Countries and regions associated with the geographical segments outside of Japan

Europe and America: Switzerland and Bermuda

Fiscal Year 2007 (From October 1, 2006 to September 30, 2007)

(Thousands of yen)

	Japan	Europe and Americas	Total	Elimination or corporate	Consolidated total
Revenue					
(1) Revenue to third party	¥15,209,709	1,704,438	¥16,914,147	-	¥16,914,147
(2) Inter-segment revenue	-	538	538	(538)	-
Total	15,209,709	1,704,976	16,914,685	(538)	16,914,147
Operating expenses	8,935,660	1,692,047	10,627,707	(538)	10,627,169
Operating income	6,274,048	12,928	6,286,977	-	6,286,977

Notes: 1. National and regional segments are grouped according to the geographical proximity.

2. Countries and regions associated with the geographical segments outside of Japan

Europe and America: Switzerland and Bermuda

3.Godo Kaisha Tempu Moderate Udagawa-cho Kaihatsu, which has been consolidated in accordance with "Practical Solution on Application of Control Criteria and Influence Criteria to Investment Association" (PITF No. 20 issued by ASBJ on September 8, 2006), sold the real estate held for sale for the year ended September 30, 2007. As a result, ¥3,658,511 thousand of revenue, ¥2,678,603 thousand of operating expenses, and ¥979,908 thousand of operating income to the third party in Japan are recognized.

3. Overseas Sales

Interim Fiscal 2007 (From October 1, 2006 to March 31, 2007)

Because sales overseas correspond to less than 10% of total sales, the information regarding overseas sales was omitted from the interim fiscal 2007.

Interim Fiscal 2008 (From October 1, 2007 to March 31, 2008)

Because sales overseas correspond to less than 10% of total sales, the information regarding overseas sales was omitted from the interim fiscal 2008.

Fiscal Year 2007 (From October 1, 2006 to September 30, 2007)

Because sales overseas correspond to less than 10% of total sales, the information regarding overseas sales was omitted from the fiscal 2007.

Per Share Information

Interim Fiscal 2007 (From October 1, 2006 to March 31, 2007)	**Interim Fiscal 2008** (From October 1, 2007 to March 31, 2008)	**Fiscal Year 2007** (From October 1, 2006 to September 30, 2007)
(Yen) Net assets per share ¥21,052.49 Net income per share ¥1,030.91 Net income (diluted) per share ¥955.32 The board of directors of the Company approved stock split at a ratio of 1 for 5 as of October 1, 2006. Assuming that the stock split had been affected at the beginning of the year ended March 31, 2006, the per share information for the year ended September 30, 2006 would have been summarized as follows: Interim Fiscal 2006: (Yen) Net assets per share ¥19,456.97 Net income per share ¥1,066.10 Net income (diluted) per share ¥966.08 Fiscal 2006: (Yen) Net assets per share ¥21,036.05 Net income per share ¥2,870.88 Net income (diluted) per share ¥2,491.70	(Yen) Net assets per share ¥19,593.54 Net loss per share ¥345.13 Net income (diluted) per share is not presented in the interim fiscal 2008 due to the net loss per share.	(Yen) Net assets per share ¥20,797.85 Net income per share ¥1,484.29 Net income (diluted) per share ¥1,395.39 The board of directors of the Company approved stock split at a ratio of 1 for 5 as of October 1, 2006. Assuming that the stock split had been affected at the beginning of the fiscal 2006, the per share information for the fiscal 2006 would have been summarized as follows: Fiscal 2006: (Yen) Net assets per share ¥21,036.05 Net income per share ¥2,870.88 Net income per share after adjusting dilution effect ¥2,491.70

Note: Underlying information for calculation of net income per share and net income per share after adjusting for dilution effects are as follows:

Items	**Interim Fiscal 2007** (From October 1, 2006 to March 31, 2007)	**Interim Fiscal 2008** (From October 1, 2007 to March 31, 2008)	**Fiscal Year 2007** (From October 1, 2006 to September 30, 2007)
Net income (loss) (Thousands of yen)	¥1,222,643	¥(415,505)	¥1,767,784
Net income (loss) for common stock (Thousands of yen)	1,222,643	(415,505)	¥1,767,784
Average number of common stock	1,185,985	1,203,904	1,190,996
Net income (diluted) per share			
Details of the increased number of the common stock used for calculation of the net income per share after adjusting for dilution effect: • Subscription rights • Stock acquisition rights • Bonds with stock acquisition rights (Shares)	 3,898 67,360 22,589	 - - -	 3,379 61,240 11,263
Increased number of common stock (Shares)	93,847	-	75,882

Detail of potential common stock excluded for the calculation of the net income after adjusting for dilution effect because of no dilution effect	FinTech Global Incorporated: Stock acquisition rights (stock options) issued on April 27, 2006 based on the special resolution at the shareholders' meeting held on December 20, 2005: 650 units (Common stock: 3,250 shares) Stock acquisition rights on the ¥20,000,000,000 Zero coupon convertible bonds due 2012 issued on February 8, 2007: 2,217 units (Common stock: 139,785 shares) Consolidated Subsidiary: (1) FX Online Japan Co., Ltd.: Stock acquisition rights 142 units (Common stock 142 shares)	FinTech Global Incorporated: Stock acquisition rights (stock options) issued on April 27, 2006 based on the special resolution at the shareholders' meeting held on December 20, 2005: 590 units (Common stock: 2,950 shares) Stock acquisition rights on the ¥20,000,000,000 Zero coupon convertible bonds due 2012 issued on February 8, 2007: 2,217 units (Common stock: 139,785 shares) Stock acquisition rights (stock options) issued on June 4, 2007 based on the special resolution at the shareholders' meeting held on December 20, 2006: 1,180 units (Common stock: 1,180 shares) Consolidated Subsidiaries: (1) FX Online Japan Co., Ltd.: Stock acquisition rights (Tresury stock options) 142 units (Common stock 142 shares) Stock acquisition rights (Stock options) 239 units (Common stock 239 shares) (2) Entrust, Inc.: Stock acquisition rights (Stock options) 76 units (Common stock 76 shares) Stock acquisition rights (Stock options) 101 units (Common stock 101 shares)	FinTech Global Incorporated: Stock acquisition rights (stock options) issued on April 27, 2006 based on the special resolution at the shareholders' meeting held on December 20, 2005: 605 units (Common stock: 3,025 shares) Stock acquisition rights on the ¥20,000,000,000 Zero coupon convertible bonds due 2012 issued on February 8, 2007: 2,217 units (Common stock: 139,785 shares) Stock acquisition rights (stock options) issued on June 4, 2007 based on the special resolution at the shareholders' meeting held on December 20, 2006: 1,240 units (Common stock: 1,240 shares) Consolidated Subsidiaries: (1) FX Online Japan Co., Ltd.: Stock acquisition rights (Tresury stock options) 142 units (Common stock 142 shares) Stock acquisition rights (Stock options) 248 units (Common stock 248 shares) (2) Entrust, Inc.: Stock acquisition rights (Stock options) 86 units (Common stock 86 shares) Stock acquisition rights (Stock options) 114 units (Common stock 114 shares)

Subsequent Events

<table>
<tr><th>Interim Fiscal 2007
(From October 1, 2006
to March 31, 2007)</th><th>Interim Fiscal 2008
(From October 1, 2007
to March 31, 2008</th><th>Fiscal Year 2007
(From October 1, 2006
to September 30, 2007)</th></tr>
<tr><td>1. At the meeting of the Company's board of directors on June 1, 2007, specific details to issue stock acquisition rights, which ware prescribed on article 236, 238 and 239 of the Company Law approved by the general shareholders' meeting of the Company on December 20, 2006, ware resolved.

(1) Those who are entitled to exercise the stock acquisition rights and total number of stock acquisition rights to be entitled.
a. Number of employees of the Company: 54
b. Total number of stock acquisition rights: 1,280 units

(2) The type and the number of shares to be issued by the stock acquisition rights:
a.Type: Common stock of the Company
b.Number of shares: 1,280 shares

In case of stock split, the number of shares to be issued for unexercised stock acquisition rights shall be calculated by the following formula. Fractions less than one share shall be rounded off.

Number of shares after adjustment = Number of shares before adjustment × Ratio of stock split (or combination)

(3) Amount to be paid for stock acquisition rights:
No need for payment.

(4) Allotment day for the stock acquisition rights:
June 4, 2007

(5) Amount to be paid at the time of the exercise of stock acquisition rights:
¥71,130 per unit（¥71,130 per share）

If the Company issues new shares or disposes of treasury stock at a price below the market price (except in the case of issuance of new shares due to the exercise of the rights), the exercise value shall be adjusted by the following formula. Fractions less than 1 yen shall be rounded up.</td><td>———</td><td>1. The Company has made additional investments in or acquired interests of three Silent Partnerships (Tokumei Kumiai) and one Voluntary Partnership (Nini Kumiai). Accordingly, these four Partnerships have become consolidated subsidiaries.

(1) Purpose
The four Partnerships are for arrangement operations and principal finance operations.

(2) Outline
i)Silent Partnership which is operated by Yugen Kaisha NJ Steel Beta

Investor: FinTech Real Estate, Inc.
Operator: Yugen Kaisha NJ Steel Beta
Principal business: Real estate investment

Equity amount:
(Thousands of yen)
Preferred equity ¥1,000,000
Subordinated equity ¥2,620,000
Total ¥3,620,000

Date of acquisition: December 19, 2007
Sellers: Mainly Yugen Kaisha Toranomon NSC
Consideration of acquisition:
(Thousands of yen)
Preferred investment ¥1,179,178
Subordinated investment ¥9,006,000
Total ¥10,185,178
The Companies' equity interest: 100％

ii)Silent Partnership which is operated by Godo Kaisha TSM Sixty Four Alpha

Investors: Mainly FinTech Real Estate, Inc.
Operator: Godo Kaisha TSM Sixty Four Alpha
Principal business: Investment
Equity amount:
(Thousands of yen)
Preferred equity ¥1,000
Subordinated equity ¥2,120,000
Total ¥2,121,000

Amount of investment by the Companies:
(Thousands of yen)
Preferred investment ¥1,000
Subordinated investment ¥2,120,000
Total ¥2,121,000
The Companies' equity interest: 100％
Date of contract: November 29, 2007
Date of investment: November 30, 2007

iii)Silent Partnership which is operated by Godo Kaisha TSM Sixty Four Beta

Investor: Godo Kaisha TSM Sixty Four</td></tr>
</table>

Interim Fiscal 2007 (From October 1, 2006 to March 31, 2007)	**Interim Fiscal 2008** (From October 1, 2007 to March 31, 2008	**Fiscal Year 2007** (From October 1, 2006 to September 30, 2007)
$\text{(Adjusted Exercise value)} = \text{(Exercise Value before adjustment)} \times \frac{\text{(Number of issued shares)} + \frac{\text{(Number of new shares to be issued) x (Exercise value per share)}}{\text{(Stock price before issuance of new shares)}}}{\text{(Number of issued shares)} + \text{(Number of new shares to be issued)}}$ (6) Period for exercise of stock acquisition rights: From January 1, 2009 to November 30, 2016 However, it could be limited to exercise the stock acquisition rights during exercise period by the respective contract for allotment of the stock acquisition rights between grantees and the Company. (7) Conditions for exercise of stock acquisition rights: (i) Those who are entitled to exercise the stock acquisition rights shall be any of the directors, corporate auditors or employees of the Company or its subsidiaries at the time of the exercise unless there are any appropriate reasons such as a resignation due to the expiry of the term of duty and a mandatory retirement. (ii) The exercise of the stock options by an heir, assignee, pledgor or anyone who succeeded to the stock acquisition rights is not allowed according to the contract for allotment of the stock acquisition rights. (iii) The contract for allotment of the stock acquisition rights may fix the maximum number of exercisable acquisition rights or the maximum amount of the total issuing value of the new shares for each year (from January 1 to December 31) during the period for the exercise. (8) Amounts of common stock and additional paid-in capital to be increased with issuance of new shares upon the exercise of stock acquisition rights: (i) The common stock amount to be increased upon the exercise of stock acquisition rights: ¥35,565 per share (ii) The additional paid-in capital amount to be increased with issuance of new shares upon the exercise of stock acquisition rights: ¥35,565 per share		Alpha Operator: Godo Kaisha TSM Sixty Four Beta Principal business: Real estate investment (Thousands of yen) Equity amount: ¥2,120,000 Amount of investment by the Companies: ¥2,120,000 The Companies' equity interest: 100% Date of contract: November 29, 2007 Date of investment: November 30, 2007 iv) SP&W Asclepius Investment Partnership No. 4 (Voluntary Partnership defined in the Civil Code) Operating executive partner: SP&W Incorporated Non-operating executive partners: FGI Principal Co., Ltd. and others Principal business: Medical devices related business (Thousands of yen) Equity amount: ¥2,200,000 Amount of investment by the Group: ¥2,190,000 The Group's equity interest: 99.5% Date of incorporation: December 19, 2007 Date of investment: December 20, 2007 (3) Finance and payment of the investments The investments have been financed partially by available excess funds and remaining by borrowings from financial institutions and paid through a bank transfer.

Interim Non-Consolidated Financial Statements
FinTech Global Incorporated
As of and for the six months ended March 31, 2008

I Interim Non-Consolidated Balance Sheets

(Unit: Thousands of yen, %)

		Interim Fiscal 2007 (As of March 31, 2007)			Interim Fiscal 2008 (As of March 31, 2008)			Fiscal Year 2007 (As of September 30, 2007)		
Item	Notes No.	Amount		Percentage change (%)	Amount		Percentage change (%)	Amount		Percentage change (%)
(Assets)										
I Current assets										
1 Cash and time deposits			12,619,401			4,095,012			6,836,785	
2 Accounts receivable, trade			18,154			945			6,195	
3 Investments in securities, trade			433,253			4,555,000			3,986,713	
4 Work-in-process			3,336			-			-	
5 Costs on uncompleted contracts			-			329			-	
6 Loans receivable, trade	*1.5.6		33,553,589			26,628,000			42,603,000	
7 Short-term loans receivable	*1		-			17,515,000			3,562,000	
8 Other current assets			2,791,915			1,079,417			548,752	
9 Allowance for doubtful accounts			(413,957)			(1,484,559)			(162,695)	
Total current assets			49,005,693	71.4		52,389,146	72.1		57,380,752	73.2
II Fixed assets										
1 Property, plant and equipment										
(1) Buildings	*3	124,927			92,843			100,064		
(2) Furniture and equipment	*3	66,502	191,430	0.3	87,293	180,137	0.3	83,247	183,312	0.3
2 Intangible fixed assets			7,438	0.0		11,920	0.0		12,425	0.0
3 Investments and other assets										
(1) Investment in subsidiaries and affiliates	*1	19,015,286			19,751,029			19,338,300		
(2) Other assets		423,040			584,018			1,448,147		
(3) Allowance for possible losses on investmentsfor investment losses		-	19,438,327	28.3	(256,425)	20,078,622	27.6	-	20,786,448	26.5
Total fixed assets			19,637,196	28.6		20,270,680	27.9		20,982,185	26.8
Total assets			68,642,889	100.0		72,659,826	100.0		78,362,938	100.0

(Unit: Thousands of yen, %)

Item	Notes No.	Interim Fiscal 2007 (As of March 31, 2007) Amount		Percentage change (%)	Interim Fiscal 2008 (As of March 31, 2008) Amount		Percentage change (%)	Fiscal Year 2007 (As of September 30, 2007) Amount		Percentage change (%)
(Liabilities)										
I Current liabilities										
1 Accounts payable, trade			29,474			18,107			36,769	
2 Short-term debt	*1		6,076,900			12,696,000			18,779,000	
3 Long-term debt due within one year	*1		2,068,856			6,989,960			7,272,056	
4 Income taxes payable			1,113,423			832,390			84,864	
5 Advance receipts			-			3,700,000			-	
6 Accrued employee bonuses			70,000			121,382			227,000	
7 Other current liabilities			1,282,372			525,263			887,690	
Total current liabilities			10,641,026	15.5		24,883,102	34.2		27,287,380	34.8
II Long-term liabilities										
1 Bonds with stock acquisition rights			22,170,000			22,170,000			22,170,000	
2 Long-term debt	*1.5		10,611,564			1,258,400			3,932,140	
3 Accrued retirement benefits			10,565			28,507			20,331	
4 Other long-term liabilities			13,839			-			2,850	
Total long-term liabilities			32,805,969	47.8		23,456,907	32.3		26,125,321	33.3
Total liabilities			43,446,995	63.3		48,340,010	66.5		53,412,701	68.2
(Net assets)										
I Shareholders' equity										
1 Common stock			10,680,608	15.6		10,764,217	14.8		10,736,448	13.7
2 Additional paid-in capital			10,351,900	15.1		10,351,900	14.3		10,351,900	13.2
3 Retained earnings			4,155,676	6.0		3,198,392	4.4		3,874,076	5.0
Total shareholders' equity			25,188,184	36.7		24,314,510	33.5		24,962,424	31.9
II Valuation and translation adjustments										
1 Net unrealized gain / (loss) on other securities			7,710	0.0		(6,250)	(0.0)		(17,163)	(0.1)
Total valuation and translation adjustments			7,710	0.0		(6,250)	(0.0)		(17,163)	(0.1)
III Stock acquisition rights			-	-		11,556	0.0		4,974	0.0
Total net assets			25,195,894	36.7		24,319,816	33.5		24,950,236	31.8
Total liabilities and net assets			68,642,889	100.0		72,659,826	100.0		78,362,938	100.0

II Interim Non-Consolidated Statements of Income

(Unit: Thousands of yen, %)

		Interim Fiscal 2007 (As of March 31, 2007)			Interim Fiscal 2008 (As of March 31, 2008)			Fiscal Year 2007 (As of September 30, 2007)		
Item	Notes No.	Amount		Percentage change (%)	Amount		Percentage change (%)	Amount		Percentage change (%)
I Revenue			4,667,087	100.0		3,477,969	100.0		7,287,612	100.0
II Cost of revenue			364,451	7.8		210,518	6.1		740,799	10.2
Gross profit			4,302,636	92.2		3,267,450	93.9		6,546,812	89.8
III Selling, general and administrative expenses			1,065,854	22.8		2,421,867	69.6		2,316,585	31.8
Operating income			3,236,781	69.4		845,583	24.3		4,230,227	58.0
IV Other income	*1		34,064	0.7		220,261	6.3		116,134	1.6
V Other expenses	*2		415,945	8.9		179,973	5.1		615,256	8.4
Ordinary profit			2,854,900	61.2		885,872	25.5		3,731,105	51.2
VI Extraordinary profit			7,539	0.1		-	-		-	-
VII Extraordinary loss	*3		412,157	8.8		482,404	13.9		627,125	8.6
Income before income taxes			2,450,281	52.5		403,467	11.6		3,103,979	42.6
Income taxes		1,080,155			850,772			1,286,527		
Income tax adjustment		(62,615)	1,017,540	21.8	(673,540)	177,231	5.1	10,829	1,297,356	17.8
Net income			1,432,740	30.7		226,235	6.5		1,806,623	24.8

III Interim Non-Consolidated Statements of Change in Net Assets

Interim Fiscal 2007 (From October 1, 2006 to March 31, 2007)

(Thousands of yen)

	Shareholders' equity			
	Common Stock	Additional paid-in capital	Retained earnings	Total shareholders' equity
		Capital reserve	Other retained earnings: Retained earnings carried forward	
Balance as of September 30, 2006	10,624,769	10,351,900	3,906,045	24,882,715
Changes during the period				
Issuance of common stock	55,838	-	-	55,838
Dividends	-	-	(1,183,110)	(1,183,110)
Net income	-	-	1,432,740	1,432,740
Net changes of items other than shareholders' equity	-	-	-	-
Total changes during the period	55,838	-	249,630	305,468
Balance as of March 31, 2007	10,680,608	10,351,900	4,155,676	25,188,184

	Valuation and translation adjustments		
	Net unrealized gain/(loss) on other securities	Total valuation and translation adjustments	Total net assets
Balance as of September 30, 2006	13,688	13,688	24,896,403
Changes during the period			
Issuance of common stock	-	-	55,838
Dividends	-	-	(1,183,110)
Net income	-	-	1,432,740
Net changes of items other than shareholders' equity	(5,978)	(5,978)	(5,978)
Total changes during the period	(5,978)	(5,978)	299,490
Balance as of March 31, 2007	7,710	7,710	25,195,894

Interim Fiscal 2008 (From October 1, 2007 to March 31, 2008)

(Thousands of yen)

	Shareholders' equity			
	Common Stock	Additional paid-in capital	Retained earnings	Total shareholders' equity
		Capital reserve	Other retained earnings: Retained earnings carried forward	
Balance as of September 30, 2007	10,736,448	10,351,900	3,874,076	24,962,424
Changes during the period				
Issuance of common stock	27,769	-	-	27,769
Dividends	-	-	(901,920)	(901,920)
Net income	-	-	226,235	226,235
Net changes of items other than shareholders' equity	-	-	-	-
Total changes during the period	27,769	-	(675,684)	(647,914)
Balance as of March 31, 2008	10,764,217	10,351,900	3,198,392	24,314,510

	Valuation and translation adjustments			
	Net unrealized gain/(loss) on other securities	Total valuation and translation adjustments	Stock acquisition rights	Total net assets
Balance as of September 30, 2007	(17,163)	(17,163)	4,974	24,950,236
Changes during the period				
Issuance of common stock	-	-	-	27,769
Dividends	-	-	-	(901,920)
Net income	-	-	-	226,235
Net changes of items other than shareholders' equity	10,913	10,913	6,581	17,494
Total changes during the period	10,913	10,913	6,581	(630,419)
Balance as of September 30, 2008	(6,250)	(6,250)	11,556	24,319,816

Fiscal Year 2007 (From October 1, 2006 to September 30, 2007) (Thousands of yen)

	Shareholders' equity			
	Common Stock	Additional paid-in capital	Retained earnings	Total shareholders' equity
		Capital reserve	Other retained earnings Retained earnings carried forward	
Balance as of September 30, 2006	10,624,769	10,351,900	3,906,045	24,882,715
Changes during the period				
Issuance of common stock	111,678	-	-	111,678
Dividends	-	-	(1,838,591)	(1,838,591)
Net income	-	-	1,806,623	1,806,623
Net changes of items other than shareholders' equity	-	-	-	-
Total changes during the period	111,678	-	(31,968)	79,709
Balance as of September 30, 2007	10,736,448	10,351,900	3,874,076	24,962,424

	Valuation and translation adjustments		Stock acquisition rights	Total net assets
	Net unrealized gain/(loss) on other securities	Total valuation and translation adjustments		
Balance as of September 30, 2006	13,688	13,688	-	24,896,403
Changes during the period				
Issuance of common stock	-	-	-	111,678
Dividends	-	-	-	(1,838,591)
Net income	-	-	-	1,806,623
Net changes of items other than shareholders' equity	(30,852)	(30,852)	4,974	(25,877)
Total changes during the period	(30,852)	(30,852)	4,974	53,832
Balance as of September 30, 2007	(17,163)	(17,163)	4,974	24,950,236

Significant Policies in Preparation of Interim Non-Consolidated Financial Statements

Item	**Interim Fiscal 2007** (From October 1, 2006 to March 31, 2007)	**Interim Fiscal 2008** (From October 1, 2007 to March 31, 2008)	**Fiscal Year 2007** (From October 1, 2006 to September 30, 2007)
1 Bases and valuation methods of securities	(i) Securities Investment in subsidiaries: Stated at cost using the moving-average method Other securities with fair market value: Other securities with fair market value are stated at fair value. Unrealized holding gains and losses, net of the related tax effect, are recorded as an accumulated comprehensive income until realized. The costs are determined by the moving-average method. Other securities with no fair market value: Other securities with no fair market value are stated at cost. The cost is determined by the moving-average method. However, investments in Silent Partnership (Tokumei Kumiai) are determined by the specific-identification method. Details are shown in "(7) Other significant policies to prepare non-consolidated financial statements (ii) Investments in securities trade [Investments in Silent Partnership (Tokumei Kumiai)]. (ii) Derivatives All derivatives are stated at fair value with changes in fair value being charged to net income or loss for the period in which they arise except for derivatives that are designated and qualified as hedging instruments. (iii) Inventory	(i) Securities Same as at left Other securities with fair market value: Same as at left Other securities with no fair market value: Other securities with no fair market value are stated at cost. The cost is determined by the moving-average method. However, investments in Silent Partnership (Tokumei Kumiai) are determined by the specific-identification method. Details are shown in "(7) Other significant policies to prepare non-consolidated financial statements (ii) Investments in Silent Partnership (Tokumei Kumiai) included in investments in securities, trade. (ii) Derivatives ———— (iii) Inventory	(i) Securities Same as at left Other securities with fair market value: Other securities with fair market value are stated at fair value. Unrealized holding gains and losses, net of the related tax effect, are recorded as an accumulated comprehensive income until realized. The costs are determined by the moving-average method. Other securities with no fair market value: Other securities with no fair market value are stated at cost. The cost is determined by the moving-average method. However, investments in Silent Partnership (Tokumei Kumiai) are determined by the specific-identification method. Details are shown in "(7) Other significant policies to prepare non-consolidated financial statements (ii) Investments in Silent Partnership (Tokumei Kumiai) included in investments in securities, trade. (ii) Derivatives ———— (iii) Inventory

Item	Interim Fiscal 2007 (From October 1, 2006 to March 31, 2007)	Interim Fiscal 2008 (From October 1, 2007 to March 31, 2008)	Fiscal Year 2007 (From October 1, 2006 to September 30, 2007)
	Work in process: Stated at cost determined by the specific-identification method.	Cost on uncompleted contracts: Same as at left From the interim fiscal 2008, the Company discloses "cost on uncompleted contracts," which was previously presented as "work in process."	Work in process: ————
2 Depreciation of fixed assets	(i) Property, plant and equipment Depreciation is computed using the declining balance method. Useful lives for major assets are as follows: • Buildings: 6-18 years • Furniture and equipment: 3-20 years	(i) Property, plant and equipment Same as at left	(i) Property, plant and equipment Depreciation is computed using the declining balance method. Useful lives for major assets are as follows: • Buildings: 8-15 years • Furniture and equipment: 3-20 years (Change in accounting policy) Depreciation method used for the tangible assets acquired on and after April 1, 2007 have been changed based on an amendment in the corporation tax law. This change does not result in material impact on income or losses for the fiscal 2007.
2 Depreciation of fixed assets	(ii) Intangible fixed assets Stated at cost determined by using the straight-line method. Software for in-house use is accounted for with the straight-line method over useful lives (three to five years). (iii) Long-term prepaid expenses Amortized on a straight-line basis.	(ii) Intangible fixed assets Same as at left (iii) ————	(ii) Intangible fixed assets Same as at left (iii) ————
3 Deferred assets	(i) Stock distribution costs Recorded as expenses when incurred (ii) Bond issuance costs Recorded as expenses when incurred	(i) Stock distribution costs Same as at left (ii) Bond issuance costs ————	(i) Stock distribution costs Same as at left (ii) Bond issuance costs Recorded as expenses when incurred

Item	Interim Fiscal 2007 (From October 1, 2006 to March 31, 2007)	Interim Fiscal 2008 (From October 1, 2007 to March 31, 2008)	Fiscal Year 2007 (From October 1, 2006 to September 30, 2007)
4 Allowances	(i) Allowance for doubtful accounts The Company provides allowances for doubtful accounts by a method that compares on the rates of its own historical actual bad debt loss against the balance of total receivables as well as the amount of uncollectible receivables estimated on an individual basis.	(i) Allowance for doubtful accounts Same as at left	(i) Allowance for doubtful accounts Same as at left
	(ii) Accrued employee bonuses Accrued employee bonuses are provided for in the amount which is expected to be paid for employee bonuses.	(ii) Accrued employee bonuses Same as at left	(ii) Accrued employee bonuses Same as at left
	(iii) Accrued retirement benefits Accrued retirement benefits are provided at the amount which would be required to be paid if all the eligible employees voluntarily retire at the interim non-consolidated balance sheet date. The simplified method is adopted since the number of employees covered by the retirement benefits plan is less than 300.	(iii) Accrued retirement benefits Same as at left	(iii) Accrued retirement benefits Accrued retirement benefits are provided at the amount which would be required to be paid if all the eligible employees voluntarily retire at the non-consolidated balance sheet date. The simplified method is adopted since the number of employees covered by the retirement benefits plan is less than 300.
	(iv) Reserve for investment losses ————	(iv) Reserve for investment losses Allowance for possible losses on investments in securities is provided for possible losses from investments in securities, considering the financial conditions and others of the issuer of such securities.	(iv) Reserve for investment losses ————
5 Accounting for leases	Finance leases, except for those leases under which the ownership of the leased assets is considered to be transferred to the lessee, are accounted for in the same manner as operating leases.	Same as at left	Same as at left

Item	**Interim Fiscal 2007** (From October 1, 2006 to March 31, 2007)	**Interim Fiscal 2008** (From October 1, 2007 to March 31, 2008)	**Fiscal Year 2007** (From October 1, 2006 to September 30, 2007)
6 Hedge accounting	(i) Methods of hedge accounting For interest rate swaps that meet the requirements for special treatment, special accounting treatment is adopted. (ii) Hedging vehicles and hedged items a) Hedging vehicles Interest rate swaps b) Hedged items Bank loans	(i) Methods of hedge accounting Same as at left (ii) Hedging vehicles and hedged items Same as at left	(i) Methods of hedge accounting Same as at left (ii) Hedging vehicles and hedged items Same as at left
6 Hedge accounting	(iii) Hedging policy The Company has a policy to utilize the above hedging instruments in order to reduce their exposure to the risk of interest rate fluctuation. (iv) Methods of hedge efficiency assessment Efficiency assessment for interest rate swaps is omitted, as they meet the requirements for special treatment.	(iii) Hedging policy Same as at left (iv) Methods of hedge efficiency assessment Same as at left	(iii) Hedging policy Same as at left (iv) Methods of hedge efficiency assessment Same as at left
7 Other significant policies to prepare financial statements	(i) Accounting for consumption tax and local consumption tax Consumption taxes are excluded from the revenue and expense accounts which are subject to such taxes. Suspense consumption tax paid and suspense consumption tax received during the period are balanced out and shown in “other current liabilities” in the interim non-consolidated balance sheets. (ii) Investments in securities, trade [Investments in Silent Partnership (Tokumei Kumiai)] Investments in securities, trade [investments in Silent Partnership (Tokumei Kumiai)], are stated at cost, and adjusted for equity in earnings and losses of the partnership. The	(i) Accounting for consumption tax and local consumption tax Same as at left (ii) Investments in Silent Partnership (Tokumei Kumiai) included in investments in securities, trade Investments in Silent Partnership (Tokumei Kumiai) included in investments in securities, trade are stated at cost, and adjusted for equity in earnings and losses of the	(i) Accounting for consumption tax and local consumption tax Consumption taxes are excluded from the revenue and expense accounts which are subject to such taxes. (ii) Investments in Silent Partnership (Tokumei Kumiai) included in investments in securities, trade Same as at left

Item	**Interim Fiscal 2007** (From October 1, 2006 to March 31, 2007)	**Interim Fiscal 2008** (From October 1, 2007 to March 31, 2008)	**Fiscal Year 2007** (From October 1, 2006 to September 30, 2007)
	adjustments are recognized as "Revenue". (iii) Methods for allocating financing expenses Financing expenses are classified into financing expenses associated with operating revenues and other financing expenses. In allocating those expenses, the total assets are allocated between the assets for business transactions and other assets, and based on the balance of the allocated assets, the financing expenses for the operating assets are classified as the cost of revenue, and the financing expenses for other assets are classified as other expenses.	partnership. The adjustments are recognized as "Revenue". (iii) Methods for allocating financing expenses Same as at left	 (iii) Methods for allocating financing expenses Same as at left

Changes in Important Items to Prepare Interim Non-Consolidated Financial Statements

Interim Fiscal 2007 (From October 1, 2006 to March 31, 2007)	Interim Fiscal 2008 (From October 1, 2007 to March 31, 2008)	Fiscal Year 2007 (From October 1, 2006 to September 30, 2007)
(Financing expenses) Financing expenses on the loans associated with individual investments or financings had been classified as cost of revenue and financing expenses on the loans which could not be traced to individual fund requirement had been classified as other expenses. However, due to increasing the ratio of the financing expenses which could not be traced to individual fund requirement, the Company has decided to allocate financing expenses of the companies providing with the lending services to properly present cost of revenue and other expenses, since the interim fiscal 2007. In allocating those expenses, the total assets are categorized as operating assets and other assets. Based on the ratio of these two categories of assets, the financing expenses are classified as the cost of revenue and other expenses, respectively, on the interim non-consolidated statement of income. Along with the change, "bank loans, trade" is reclassified to "short-term debt" or "long-term debt" based on the term of payment. As a result of the change, the operating income have decreased by ¥122,008 thousand compared to what would have been reported under the previous presentation, but there is no impact on the income before income taxes and minority interests in the interim non-consolidated statements of income. Current liabilities have decreased by ¥705,000 thousand, and long-term liabilities have increased by the same amount.	―――	(Financing expenses) Financing expenses on the loans associated with individual investments or financings had been classified as cost of revenue and financing expenses on the loans which could not be traced to individual fund requirement had been classified as other expenses. However, due to increasing the ratio of the financing expenses which could not be traced to individual fund requirement, the Company has decided to allocate financing expenses to properly present cost of revenue and other expenses, since the fiscal 2007. In allocating those expenses, the total assets are categorized as operating assets and other assets. Based on the ratio of these two categories of assets, the financing expenses are classified as the cost of revenue and other expense, respectively, on the consolidated statement of income. Along with the change, "bank loans, trade" is reclassified to "short-term debt" or "long-term debt" based on the term of payment. As a result of the change, the operating income have decreased by ¥174,567 thousand compared to what would have been reported under the previous presentation, but there is no impact on the income before income taxes and minority interests in the consolidated statements of income. Current liabilities have decreased by ¥565,000 thousand, and long-term liabilities have increased by the same amount.
	―――	(Stock options) On December 27, 2005, Accounting Standard Boards of Japan ("ASBJ") issued "Accounting Standard for Stock Options" and related guidance. The new standard and guidance are applicable to stock options newly granted on and after May 31, 2006. As a result of this change,

Interim Fiscal 2007 (From October 1, 2006 to March 31, 2007)	**Interim Fiscal 2008** (From October 1, 2007 to March 31, 2008)	**Fiscal Year 2007** (From October 1, 2006 to September 30, 2007)
		there is a minimal impact on income and losses in the non-consolidated financial statements compared to what would have been reported under the previous accounting standard.

Changes in Presentation

Interim Fiscal 2007 (From October 1, 2006 to March 31, 2007)	**Interim Fiscal 2008** (From October 1, 2007 to March 31, 2008)
————	(Note to interim non-consolidated balance sheets) From the interim fiscal 2008, the Company discloses “cost on uncompleted contracts,” which was previously presented as “work in process.” In the interim fiscal 2007, “Short-term loans receivable” were included in “Others” under Current assets. However, from the interim fiscal 2008, “Short-term loans receivable” were separately shown since the amount surpassed more than 5 percent of total assets. “Short-term loans receivable” amounted to ¥2,320,000 thousand as of March 31, 2007.

Notes to Interim Non-Consolidated Balance Sheets

Interim Fiscal 2007 (From October 1, 2006 to March 31, 2007)	Interim Fiscal 2008 (From October 1, 2007 to March 31, 2008)	Fiscal Year 2007 (From October 1, 2006 to September 30, 2007)
*1. Pledged assets and secured debts Assets pledged as collateral for bank loans were as follows: (Thousands of yen) Loans receivable, trade ¥525,000 Total ¥525,000	*1. Pledged assets and secured debts Assets pledged as collateral for bank loans were as follows: (Thousands of yen) Loans receivable, trade ¥2,770,000 Short-term loans receivable 4,180,000 Investment in subsidiaries and affiliates 8,420,970 Total ¥15,370,970	*1. Pledged assets and secured debts Assets pledged as collateral for bank loans were as follows: (Thousands of yen) Loans receivable, trade ¥3,336,000 Short-term loans receivable 2,712,000 Investment in subsidiaries and affiliates 8,420,970 Total ¥14,468,970
Collateralized loans from banks were as follows: (Thousands of yen) Long-term debt due within one year ¥185,000 Long-term debt 120,000 Total 305,000	Collateralized loans from banks were as follows: (Thousands of yen) Short-term debt ¥5,180,000 Long-term debt due within one year 6,350,000 Long-term debt 60,000 Total ¥11,590,000	Collateralized loans from banks were as follows: (Thousands of yen) Short-term debt ¥4,000,000 Long-term debt due within one year 5,000,000 Long-term debt 1,290,000 Total ¥10,290,000
2. Loan Commitment-line Contract In the principal finance operations, the Company is committed to provide a loan to a customer. The outstanding commitment balance was as follows: (Thousands of yen) Total commitment ¥12,546,000 Executed loans 490,000 Unused balance ¥12,056,000	2. Loan Commitment-line Contract In the principal finance operations, the Company is committed to provide a loan to a customer. The outstanding commitment was as follows: (Thousands of yen) Total commitment ¥17,600,000 Executed loans 15,325,000 Unused balance ¥2,275,000	2. Loan Commitment-line Contract In the principal finance operations, the Company is committed to provide a loan to a customer. The outstanding commitment balance was as follows: (Thousands of yen) Total commitment ¥12,420,000 Executed loans 2,270,000 Unused balance ¥10,150,000
As for ¥11,000,000 thousand under this contract, the loan is provided after examination of the purpose of use and credit standing of the debtor and therefore, the commitment amount may not be executed in full.	Under this contract, the loan is provided after examination of the purpose of use and credit standing of the debtor and therefore, the commitment amount may not be executed in full.	As for ¥9,230,000 thousand under this contract, the loan is provided after examination of the purpose of use and credit standing of the debtor and therefore, the commitment amount may not be executed in full.
*3. Accumulated depreciation of property, plant and equipment (Thousands of yen) Buildings ¥12,075 Furniture and equipment 17,769	*3. Accumulated depreciation of property, plant and equipment (Thousands of yen) Buildings ¥23,761 Furniture and equipment 38,667	*3 Accumulated depreciation of property, plant and equipment (Thousands of yen) Buildings ¥15,239 Furniture and equipment 28,742

Interim Fiscal 2007 (From October 1, 2006 to March 31, 2007)	Interim Fiscal 2008 (From October 1, 2007 to March 31, 2008)	Fiscal Year 2007 (From October 1, 2006 to September 30, 2007)
4. Credit-line Contract Companies have executed a commitment-line contract with its banks to make appropriation for a fund for investments and loans. The credit line under this contract and the amount of the outstanding are as follows: (Thousands of yen) Total commitment ¥4,000,000 Executed loans 2,000,000 Unused balance ¥2,000,000	4. Credit-line Contract Companies have executed a commitment-line contract with its banks to make appropriation for a fund for investments and loans. The credit line under this contract and the amount of the outstanding are as follows: (Thousands of yen) Total commitment ¥4,500,000 Executed loans 4,000,000 Unused balance 500,000	4. Credit-line Contract Companies have executed a commitment-line contract with its banks to make appropriation for a fund for investments and loans. The credit line under this contract and the amount of the outstanding are as follows: (Thousands of yen) Total commitment ¥7,000,000 Executed loans 6,133,000 Unused balance ¥867,000
*5 Major assets and liabilities that have been treated as financial transactions are presented below. (Thousands of yen) Loans receivable, trade ¥4,121,000 Long-term debt 2,766,000	*5 ―――	*5 Major assets and liabilities that have been treated as financial transactions are presented below. (Thousands of yen) Loans receivable, trade ¥1,400,000 Long-term debt 4,904

Interim Fiscal 2007 (From October 1, 2006 to March 31, 2007)	**Interim Fiscal 2008** (From October 1, 2007 to March 31, 2008)	**Fiscal Year 2007** (From October 1, 2006 to September 30, 2007)
*6. There are no bad debts included in loans receivable, trade.	*6. Bad debts included in loans receivable, trade (Thousands of yen) Loans to borrowers in legal bankruptcy ¥55,400 Past due loans 2,190,000 Loans to borrowers in legal bankruptcy are loans which payment of principals and/or interests has not been received for a substantial period or, for other reasons, there are no prospects for collection of principals and/or interests, and accordingly, no interest has been accrued (excluding balance already written off and hereinafter referred to as nonaccrual loans) and also certain specific condition stated in the Implementation Ordinances for the Corporation Tax Law (Cabinet Order No.97, 1965), Items i through v in Article 96-1-3 or the circumstances stated in Article 96-1-4 exists. Past due loans are nonaccrual loans, other than loans to borrowers in legal bankruptcy and loans whose interest payments have been rescheduled in order to support the restructuring of the borrowers.	*6. There are no bad debts included in loans receivable, trade.
7. Contingent Liabilities ————	7. Contingent Liabilities The Company guarantees borrowings of the following companies: (Thousands of yen) Entrust, Inc. ¥100,000 AKIMURA CIX INCOPORATED 2,057,000 First Credit Corporation 500,000 FinTech Real Estate, Inc. 600,000 Total ¥3,257,000	7. Contingent Liabilities The Company guarantees borrowings of the following companies: (Thousands of yen) Yokohama Bayside Resort Ltd. 2,000,000 Duplex Twenty-Seventh Ltd. 1,450,000 Entrust,Inc 100,000 Total ¥3,550,000 As for Yokohama Bayside Resort Ltd., the Company and Stellar Capital AG jointly guarantee its borrowings.

Notes to Interim Non-Consolidated Statements of Income

Interim Fiscal 2007 (From October 1, 2006 to March 31, 2007)	**Interim Fiscal 2008** (From October 1, 2007 to March 31, 2008)	**Fiscal Year 2007** (From October 1, 2006 to September 30, 2007)
*1. Major other income (Thousands of yen) Interest income ¥30,416	*1. Major other income (Thousands of yen) Interest income ¥210,991	*1. Major other income (Thousands of yen) Interest income ¥98,720
*2. Major other expenses (Thousands of yen) Interest expense ¥105,922 Stock distribution costs 2,420 Fee paid for syndicated loan 43,902 Bond issue costs 52,329 Loss on redemption of bonds with stock acquisition rights 200,000	*2. Major other expenses (Thousands of yen) Interest expense ¥161,718	*2. Major other expenses (Thousands of yen) Interest expense ¥249,209 Stock distribution costs 3,008 Provision for allowance for doubtful accounts 10,686 Bond issuance costs 52,329 Commission 94,810 Loss on redemption of bonds with stock acquisition rights 200,000
3. Major extraordinary losses (Thousands of yen) Valuation loss on investment in subsidiaries and affiliates ¥64,999 Bad debts expenses 307,387	3. Major extraordinary losses (Thousands of yen) Provision for reserve for possible losses on investments ¥256,425	3. Major extraordinary losses (Thousands of yen) Loss on disposition of fixed assets ¥54,960 Loss on reorganization of subsidiary 417,628 Valuation loss on investment in subsidiaries and affiliates 154,536
4. Depreciation and amortization (Thousands of yen) Property, plant and equipment ¥12,722 Intangible fixed assets 951	4.Depreciation and amortization (Thousands of yen) Property, plant and equipment ¥18,701 Intangible fixed assets 1,505	4.Depreciation and amortization (Thousands of yen) Property, plant and equipment ¥35,819 Intangible fixed assets 2,242

Notes to Interim Non-Consolidated Statements of Changes in Net Assets

Interim Fiscal 2007 (From October 1, 2006 to March 31, 2007)

No treasury stocks existed during the interim fiscal 2007.

Interim Fiscal 2008 (From October 1, 2007 to March 31, 2008)

No treasury stocks existed during the interim fiscal 2008.

Fiscal Year 2007 (From October 1, 2006 to September 30, 2007)

No treasury stocks existed during the fiscal year 2007.

Leases

Interim Fiscal 2007
(From October 1, 2006
to March 31, 2007)

Finance leases, except for those leases under which the ownership of the leased assets is considered to be transferred to the lessee, are accounted for in the same manner as operating leases.

1. Leased property, such as assumed acquisition costs, assumed accumulated depreciation, and assumed balance are as follows:

(Thousands of yen)

	Assumed acquisition costs	Assumed accumulated depreciation	Assumed balance
Buildings	¥1,938	¥872	¥1,066
Furniture and equipment	11,235	5,055	6,179
Total	¥13,174	¥5,928	¥7,245

2. The scheduled maturities of future lease payments of such lease contracts are as follows:

(Thousands of yen)

Due within one year	¥2,661
Due over one year	4,990
	¥7,651

3. Lease expenses and assumed depreciation and assumed interest expense of the non-capitalized finance leases are as follows:

(Thousands of yen)

Lease expenses	¥1,492
Assumed depreciation expenses	1,317
Assumed interest expenses	210

4. Assumed depreciation was calculated using the straight-line method over the lease term with no residual value.

Interim Fiscal 2008
(From October 1, 2007
to March 31, 2008)

Finance leases, except for those leases under which the ownership of the leased assets is considered to be transferred to the lessee, are accounted for in the same manner as operating leases.

1. Leased property, such as assumed acquisition costs, assumed accumulated depreciation, and assumed balance are as follows:

(Thousands of yen)

	Assumed acquisition costs	Assumed accumulated depreciation	Assumed balance
Furniture and equipment	¥10,983	¥7,139	¥3,844

2. The scheduled maturities of future lease payments of such lease contracts are as follows:

(Thousands of yen)

Due within one year	¥2,331
Due over one year	1,825
	¥4,156

3. Lease expenses and assumed depreciation and assumed interest expense of the non-capitalized finance leases are as follows:

(Thousands of yen)

Lease expenses	¥1,242
Assumed depreciation expenses	1,098
Assumed interest expenses	119

4. Same as at left

Fiscal Year 2007
(From October 1, 2006
to September 30, 2007)

Finance leases, except for those leases under which the ownership of the leased assets is considered to be transferred to the lessee, are accounted for in the same manner as operating leases.

1. Leased property, such as assumed acquisition costs, assumed accumulated depreciation, and assumed balance are as follows:

(Thousands of yen)

	Assumed acquisition costs	Assumed accumulated depreciation	Assumed balance
Furniture and equipment	¥10,983	¥6,040	¥4,942

2. The scheduled maturities of future lease payments of such lease contracts are as follows:

(Thousands of yen)

Due within one year	¥2,274
Due over one year	3,005
	¥5,279

3. Lease expenses and assumed depreciation and assumed interest expense of the non-capitalized finance leases are as follows:

(Thousands of yen)

Lease expenses	¥2,817
Assumed depreciation expenses	2,488
Assumed interest expenses	368

4. Same as at left

Interim Fiscal 2007 (From October 1, 2006 to March 31, 2007)	**Interim Fiscal 2008** (From October 1, 2007 to March 31, 2008)	**Fiscal Year 2007** (From October 1, 2006 to September 30, 2007)
5. Differences between total lease expenses and assumed acquisition costs of the leased assets comprise assumed interest expenses. Assumed interest expenses are allocated to each period using the interest method over the lease term.	5. Same as at left	5. Same as at left

Securities

Interim Fiscal 2007 (As of March 31, 2007)

There were no shares of subsidiaries and affiliates with fair market value.

Interim Fiscal 2008 (As of March 31, 2008)

There were no shares of subsidiaries and affiliates with fair market value.

Fiscal Year 2007 (As of September 30, 2007)

There were no shares of subsidiaries and affiliates with fair market value.

Per Share Information

Because there are interim consolidated financial statements and consolidated financial statements disclosed separately, information regarding per share has been omitted.

Subsequent Events

Interim Fiscal 2007 (From October 1, 2006 to March 31, 2007)	Interim Fiscal 2008 (From October 1, 2007 to March 31, 2008	Fiscal Year 2007 (From October 1, 2006 to September 30, 2007)
1. At the meeting of the Company's board of directors on June 1, 2007, specific details to issue stock acquisition rights, which were prescribed on article 236, 238 and 239 of the Company Law approved by the general shareholders' meeting of the Company on December 20, 2006, were resolved. (1) Those who are entitled to exercise the stock acquisition rights and total number of stock acquisition rights to be entitled. a. Number of employees of the Company: 54 b. Total number of stock acquisition rights: 1,280 units (2) The type and the number of shares to be issued by the stock acquisition rights: a.Type: Common stock of the Company b.Number of shares: 1,280 shares In case of stock split, the number of shares to be issued for unexercised stock acquisition rights shall be calculated by the following formula. Fractions less than one share shall be rounded off. Number of shares after adjustment = Number of shares before adjustment × Ratio of stock split (or combination) (3) Amount to be paid for stock acquisition rights: No need for payment. (4) Allotment day for the stock acquisition rights: June 4, 2007 (5) Amount to be paid at the time of the exercise of stock acquisition rights: ¥71,130 per unit（¥71,130 per share） If the Company issues new shares or disposes of treasury stock at a price below the market price (except in the case of issuance of new shares due to the exercise of the rights), the exercise value shall be adjusted by the following formula. Fractions less than 1 yen shall be rounded up.	―――	―――

Interim Fiscal 2007 (From October 1, 2006 to March 31, 2007)	**Interim Fiscal 2008** (From October 1, 2007 to March 31, 2008	**Fiscal Year 2007** (From October 1, 2006 to September 30, 2007)
$\text{(Adjusted Exercise value)} = \text{(Exercise Value before adjustment)} \times \dfrac{\text{(Number of issued shares)} + \dfrac{\text{(Number of new shares to be issued) x (Exercise value per share)}}{\text{(Stock price before issuance of new shares)}}}{\text{(Number of issued shares)} + \text{(Number of new shares to be issued)}}$ (6) Period for exercise of stock acquisition rights: From January 1, 2009 to November 30, 2016 However, it could be limited to exercise the stock acquisition rights during the exercise period by the respective contract for allotment of the stock acquisition rights between grantees and the Company. (7) Conditions for exercise of stock acquisition rights: (i) Those who are entitled to exercise the stock acquisition rights shall be any of the directors, corporate auditors or employees of the Company or its subsidiaries at the time of the exercise unless there are any appropriate reasons such as a resignation due to the expiry of the term of duty and a mandatory retirement. (ii) The exercise of the stock options by an heir, assignee, pledgor or anyone who succeeded to the stock acquisition rights is not allowed according to the contract for allotment of the stock acquisition rights. (iii) The contract for allotment of the stock acquisition rights may fix the maximum number of exercisable acquisition rights or the maximum amount of the total issuing value of the new shares for each year (from January 1 to December 31) during the period for the exercise. (8) Amounts of common stock and additional paid-in capital to be increased with issuance of new shares upon the exercise of stock acquisition rights: (i) The common stock amount to be increased		

Interim Fiscal 2007 (From October 1, 2006 to March 31, 2007)	**Interim Fiscal 2008** (From October 1, 2007 to March 31, 2008	**Fiscal Year 2007** (From October 1, 2006 to September 30, 2007)
upon the exercise of stock acquisition rights: ¥35,565 per share (ii) The additional paid-in capital amount to be increased with issuance of new shares upon the exercise of stock acquisition rights: ¥35,565 per share		